Financial Statements at 31 December 2025

Company subject to the direction and coordination of Santander Consumer Finance S.A. pursuant to art. 2497 bis of the Italian Civil Code

General information

General information

Registered and Administrative Office

Corso Massimo D'Azeglio 33/E

Tel.: 011/63.19.111 – Fax: 011/63.19.119

Shareholding Structure

Santander Consumer Bank S.p.A. is wholly owned (100%) by Santander Consumer Finance S.A.

Directors and officers

Board of Directors

Chairman	Ettore Gotti Tedeschi
Chief Executive Officier	Simona Cipollina
Directors	Ida Annalisa Lo Pomo
	Emma Fernandez Alonso
	Rafael Moral Salarich
	Pierluigi Casu
	Silvia Fidanza

Board of Statutory Auditors

Chairman	Walter Bruno
Acting Auditors	Maurizio Giorgi
	Marta Montalbano
Substitute Auditors	Tancredi Ceresa
	Elena Mainardi

General Manager

Simona Cipollina

Indipendent Auditors

BDO Audit Service S.r.l.

History and Shareholding

novembre 1988

Nasce Santander Consumer Bank SpA con il nome di Finconsumo SpA

2001

Finconsumo SpA diventa Finconsumo Banca Spa

2004-2006

Santander Consumer Finance SpA diventa azionista al 100% di Finconsumo Banca SpA. Quest'ultima nel 2006 viene denominata Santander Consumer Bank SpA

2013-2015

- Santander Consumer Bank SpA acquisisce il 100% di Santander Consumer Unifin Spa (già Unifin SpA)
- Fusione per incorporazione di Santander Consumer Unifin SpA

2015

Costituzione JV Banca PSA SpA a seguito di accordo tra Santander Consumer Bank SpA e Banque PSA Finance (50%-50%)

2018

Banca PSA SpA acquisisce la società PSA Renting SpA (100%)

2020

Costituzione JV TIMFin SpA a seguito di accordo tra Santander Consumer Bank SpA e TIM SpA (51%-49%)

2022

Santander Consumer Bank SpA costituisce:
- Santander Consumer Renting Srl (partecipazione 100%)
- Drive Srl (partecipazione 100%)

2023

Riorganizzazione delle attività di finanziamento di Stellantis con i suoi partner finanziari:
Banca PSA SpA diventa Stellantis Financial Services Italia
PSA Renting SpA diventa Stellantis Renting Italia
(la struttura partecipativa rimane invariata)

Consolidated Financial Statements of the Santander Consumer Bank Group

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Report on Group Operations

Report on Group Operations

A – The reference market

A.1 - Macroeconomic scenario

Global economy

The global economy continues to expand, driven mainly by the US economy, supported by investment in technologies related to artificial intelligence and by the growth of international trade, and by the Chinese economy, supported by exports, despite weak domestic demand. OECD estimates for 2026 point to a slight easing of global growth, which remains exposed to risks stemming from trade and geopolitical tensions.

The euro area economy is growing at a moderate pace. Analysts forecast GDP growth of 1.2% in 2026 and 1.4% in 2027-2028, and consumer inflation, which stood at 2.1% in 2025, is expected to edge down slightly in 2026 and 2027 before returning to 2.0% in 2028.

After a series of progressive cuts in official rates (cumulative -1%) implemented up to July 2025, the ECB kept rates unchanged, also considering the European banking environment, which has seen a stable cost of risk and growing demand concentrated in household lending (especially for home purchases).

Source: Bank of Italy – Economic Bulletin no. 1/2026

National economy

The Italian economy broadly mirrors the dynamics of the euro area. Italy's GDP increased slightly, supported by a sharp rise in exports and by the expansion in investment, which benefited from tax incentives and other measures linked to the NRRP. At the same time, household consumption grew modestly. Economic activity therefore continued to expand at a moderate pace, driven by the services sector, especially business services, and by a recovery in industry. Prospects for manufacturing remain uncertain, also due to the intensification of Chinese competition in several segments. Analysts, however, forecast GDP growth of 0.6% in 2026, which is expected to strengthen further in 2027-2028.

The unemployment rate continues to decline, in line with the trends consolidated during 2025.

Inflation fell below 2%, thanks to a more moderate increase in service prices and a more pronounced decline in energy prices. Analysts forecast consumer inflation to fall to 1.4% in 2026, followed by a gradual rise over the subsequent two-year period, reflecting the temporary increase in the energy component due to the introduction of the European ETS2 regulation.

The cost of bank funding and lending rates, after a slight decline driven by ECB actions, remained broadly stable. Lending to households and businesses accelerated in the last quarter. Within corporate lending, demand increased in services, construction and manufacturing.

Overall, in 2025 the ratio of net borrowing to GDP is expected to have declined, while public debt is expected to have increased. The Budget Law approved last December leaves the deficit unchanged in 2026 compared with existing legislation and increases it by an average of 0.3% of GDP per year in the subsequent two-year period.

Source: Bank of Italy – Economic Bulletin no. 1/2026

A.2 - Industry trends

Consumer credit

In the first nine months of 2025, total consumer credit increased by 4.4%, with new disbursements of EUR 71.3 billion, comprising 541 thousand transactions.

With regard to the individual segments, the following trends are noted:

- +10.2% for personal loans;
- -2.5% for car loans;
- -0.1% for special-purpose loans;

- +10.5% for salary assignment;
- -1.3% for cards.

The average amount of the loans requested is EUR 7,593.

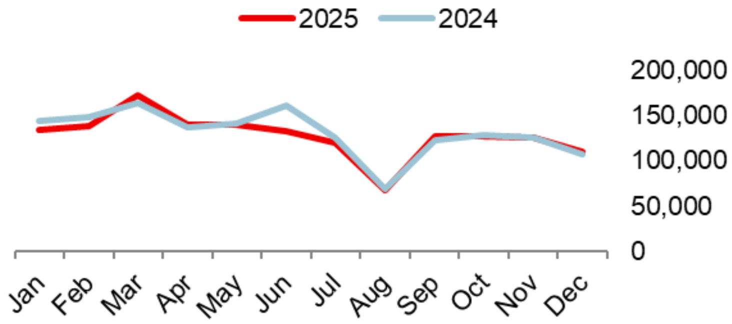
The default rate of credit to households is in line with pre-pandemic levels, standing overall at 1.7%, and shows no signs of structural risk.

In a growth environment affected by international tensions, the household lending market is expected to consolidate from 2026 onwards, maintaining a level of risk that remains under control.

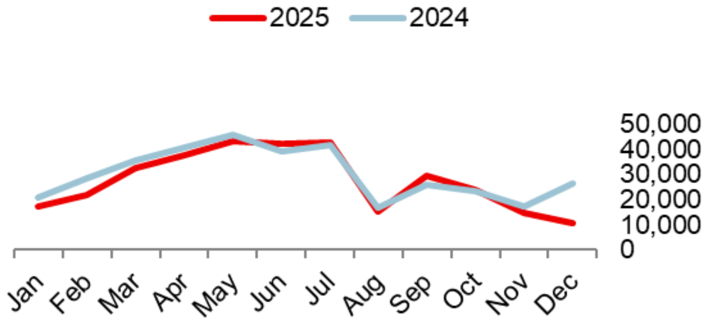
Artificial intelligence, regulation and climate transition are the main drivers of change in the financial sector.
In particular, for the connected car segment, new vehicle registrations recorded a decrease of -2.5% in 2025, totalling 1,538,349 cars. Meanwhile, registrations of two-wheeled vehicles (>50 cc) reached 330,934 units (-8.6%).

Source: Crif, Assofin

Motor vehicle registrations



Motorcycle registrations

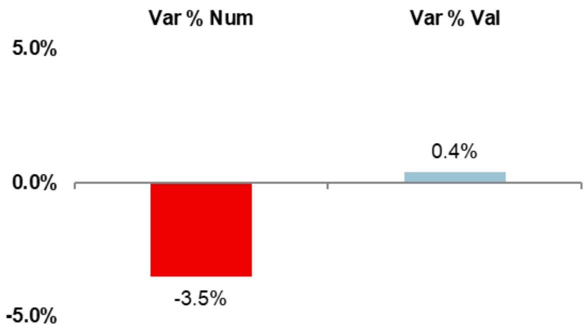


Leasing

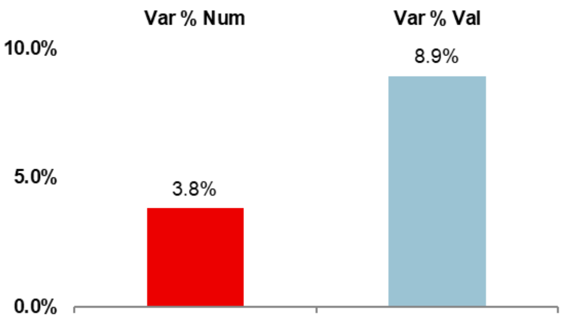
The car leasing market grew (+5.8%), with total new disbursements of approximately EUR 36.1 billion. Performance in passenger cars declined (-3.5%), while leasing related to commercial vehicles increased (+3.8%).

Source: Assilea

Motor Vehicle leases



Commercial Vehicle leases



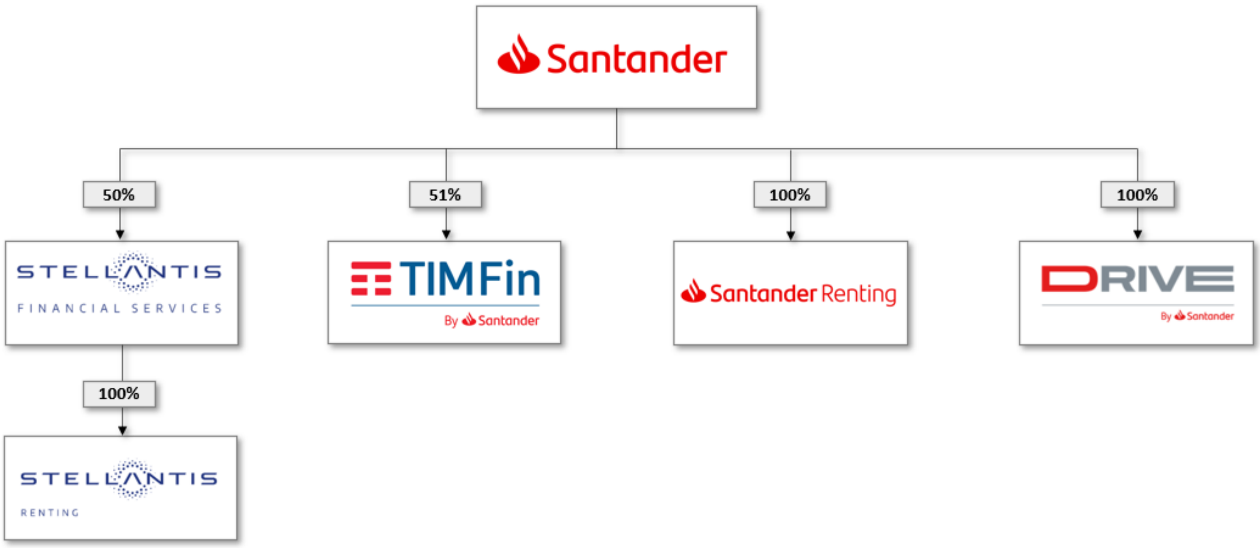
B – The Santander Consumer Bank S.p.A. Group

B.1 – Management and coordination by Santander Consumer Finance S.A.

The Group operates with full managerial autonomy, while adhering to the general strategic and operational guidelines set by the Parent Company Santander Consumer Finance S.A., which carries out management and coordination activities pursuant to Art. 2497-bis of the Italian Civil Code and Art. 23 of Legislative Decree No. 385 of 1 September 1993, as amended by Legislative Decree No. 223 of 14 November 2016.

Attached to the Notes is a summary schedule of the key figures from the latest approved financial statements (for the year ended 31 December 2024) of the entity that performs management and coordination activities.

B.2 – Group companies



Stellantis Financial Services Italia S.p.A.

The mission of Stellantis Financial Services Italia, established in 2023 from the partnership between Santander Consumer Bank and Stellantis, following the previous venture launched in 2014 through Banca PSA, is to support the sale of cars and commercial vehicles produced by the industrial partners, through the development of consumer credit activities and financial support to the dealer network.

New business

New instalment business (made up of car loans and car leasing) amounted to EUR 3,696 million, up 7.1%, thanks to higher financial penetration, despite the contraction in the Stellantis Group's market share in the Italian automotive market. In this context, Stellantis Financial Services Italia focused its commercial activities to maximize the profitability of instalment products, combined with greater placement of insurance products.

Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	243.0	176.3	66.7	37.8%
Net commission	69.0	54.1	14.9	27.5%
Net result of financial assets and liabilities at fair value	(4.1)	(2.0)	(2.1)	104.6%
Net other operating incomes / costs	0.4	4.8	(4.4)	-91.6%
Capital bonus	3.0	15.5	(12.5)	-80.6%
Operating incomes	**311.3**	**248.7**	**62.5**	**25.1%**
Payroll costs	(40.1)	(33.6)	(6.6)	19.6%
Administrative costs	(48.5)	(42.6)	(5.9)	13.9%
Amortizations	(15.2)	(15.5)	0.3	-2.1%
Operating costs	**(103.9)**	**(91.7)**	**(12.2)**	**13.3%**
Operating result	**207.4**	**157.1**	**50.4**	**32.1%**
Net adjustments on financial activities	(35.9)	(29.2)	(6.7)	23.0%
Other net accrual	(2.8)	(0.1)	(2.8)	3034.5%
Profit or loss before tax	**168.6**	**127.7**	**40.9**	**32.0%**
Tax	(56.4)	(38.1)	(18.3)	48.1%
Profit or loss after tax	**112.2**	**89.6**	**22.6**	**25.2%**

Operating income increased (+25.2%), thanks to the above-mentioned new business dynamics and the widening of spreads between interest income and interest expense. This combination reabsorbs more than the lower dividend collected by the subsidiary Stellantis Renting Italia (-EUR 12.5 million).

Operating costs increased (+7.5%), mainly due to higher staff costs, stemming from voluntary early-exit incentive initiatives (EUR +4.6 million) and the renewal of the National Collective Labour Agreement, as well as administrative expenses, due to higher costs for Group services.

Net impairment losses on loans increased (+26.0%), mainly due to the growth of the portfolio. For further details, please refer to the Notes to the Consolidated Financial Statements – Part E.

Taxes increased (+48.1%), in line with the trend in the taxable base.

Profit after tax amounted to EUR 112.2 million (EUR 89.6 million in 2024).

Main balance sheet aggregates

Loans to customers amounting to EUR 9,620.5 million, up 17.2%, and are broken down as follows:

- Car loans EUR 6,319.5 million (+27.3%);
- Leasing EUR 973.7 million (+34.8%),
- Stock financing to Dealers EUR 2,417.4 million (-6.5%).

- Accumulated impairment losses EUR -90.1 million (+50.4%).

Financial payables, amounting to EUR 9,012.0 million, increased (+9.5%), thanks to:

- bank funding, amounting to EUR 4,732.2 million, down (-10.8%);
- customer funding, amounting to EUR 4,274.8 million, up 46.5%, thanks to the significant contribution from SRT (Significant Risk Transfer) securitization transactions placed with the market.

Stellantis Renting Italia S.p.A

The mission of Stellantis Renting Italia, established in 2023 from the partnership between Santander Consumer Bank and Stellantis, following the previous venture launched in 2014 through PSA Renting, is to support the sale of vehicles produced by the industrial partners by providing retail long-term rental services through the Stellantis dealer network. For consolidated reporting purposes, the product is accounted for as finance lease, as a residual value is guaranteed by the Stellantis Group.

New business

New instalment business (comprising car leasing) amounted to EUR 128.8 million, up 88.0%, thanks to greater penetration in the B2C market, compared with the previous year, which was still affected by the non-compete agreement on the B2B market signed in 2023 with the other financial competitors of the Stellantis Group.

Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	11.0	11.1	(0.1)	-1.0%
Net commission	0.5	(0.8)	1.3	-158.0%
Net other operating incomes / costs	0.6	2.3	(1.8)	-75.4%
Operating incomes	**12.0**	**12.6**	**(0.6)**	**-4.8%**
Payroll costs	(2.0)	(2.2)	0.1	-6.7%
Administrative costs	(3.4)	(1.1)	(2.3)	214.8%
Amortizations	(0.0)	(0.1)	0.1	-92.9%
Operating costs	**(5.4)**	**(3.3)**	**(2.1)**	**63.4%**
Operating result	**6.6**	**9.3**	**(2.7)**	**-28.8%**
Net adjustments on financial activities	0.2	(2.5)	2.6	-106.8%
Other net accrual	0.1	(0.2)	0.3	-146.1%
Profit or loss before tax	**6.9**	**6.7**	**0.2**	**3.2%**
Tax	(2.2)	(2.1)	(0.1)	6.6%
Profit or loss after tax	**4.7**	**4.6**	**0.1**	**1.7%**

Operating income decreased slightly (-4.8%), due to the outstanding dynamics detailed below.

Operating costs, amounting to EUR 5.4 million, increased (+63.4%) due to higher administrative expenses, driven by increased costs for Group services.

Net impairment losses on loans, amounting to EUR 0.2 million, were stable in relation to total interest-earning assets. For further details, please refer to the Notes to the Consolidated Financial Statements – Part E.

Taxes, amounting to EUR 2.2 million, increased (+6.6%), in line with the trend in the taxable base.

Profit after tax amounted to EUR 4.7 million (EUR 4.6 million in 2024).

Main balance sheet aggregates

Loans to customers, amounting to EUR 230.7 million, decreased (-5.7%) despite the above-mentioned increase in new business, due to the natural amortization of the existing portfolio.

Financial payables, amounting to EUR 249.1 million, increased (+3.2%) in line with asset requirements and consist of funding provided by the Spanish parent company.

TIMFin S.p.A.

The mission of TIMFin, established as a result of the partnership between Santander Consumer Bank and TIM and operating since 2021, is to provide retail loans primarily for the purchase of devices ("handset" or "smartphone") and related services through the affiliated TIM network.

New business

New instalment business (comprising special-purpose loans and personal loans) amounted to EUR 303.4 million, slightly down (-2.4%). In this context, TIMFin focused its commercial activities to maximize the profitability of instalment products, with a particular focus on increasing insurance penetration.

Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	25.7	24.8	0.9	3.5%
Net commission	5.3	4.3	1.0	24.4%
Net other operating incomes / costs	2.5	3.1	(0.6)	-19.0%
Operating incomes	**33.5**	**32.2**	**1.3**	**4.1%**
Payroll costs	(4.0)	(4.2)	0.2	-4.8%
administrative costs	(13.1)	(10.4)	(2.7)	25.8%
Amortizations	(0.5)	(0.4)	(0.0)	6.1%
Operating costs	**(17.6)**	**(15.1)**	**(2.5)**	**16.7%**
Operating result	**15.9**	**17.1**	**(1.2)**	**-7.0%**
Net adjustments on financial activities	(10.4)	(15.4)	5.0	-32.6%
Profit or loss before tax	**5.6**	**1.8**	**3.8**	**215.0%**
Tax	(1.7)	(0.7)	(1.0)	148.2%
Profit or loss after tax	**3.9**	**1.1**	**2.8**	**257.7%**

Operating income increased (+4.1%), thanks to the outstanding dynamics detailed below, which allowed growth in net interest income and net fee and commission income. Other operating income, by contrast, decreased due to the run-off of the modem product.

Operating costs increased (+16.7%), mainly due to higher servicing costs, following a one-off reduction of EUR 1.2 million, recognized in 2024.

Net impairment losses on loans decreased (-32.6%), mainly thanks to a more effective lending policy and proactive monitoring of new non-performing exposures. This result was partially affected by a negative impact of EUR 0.4 million arising from the non-recourse disposal of an NPL (Non Performing Loans) portfolio in write-off under management. For further details, please refer to the Notes to the Consolidated Financial Statements – Part E.

Taxes, amounting to EUR 1.7 million, increased (+148.2%), in line with the trend in the taxable base, despite non-recurring events that reduced the tax rate.

Profit after tax stood at EUR 3.9 million (EUR 1.1 million in 2024).

Main balance sheet aggregates

Loans to customers, amounting to EUR 438.2 million, decreased (-12.5%) due to the run-off of the modem product, partially offset by new business dynamics.

Financial payables, amounting to EUR 371.4 million, decreased (-16.2%) in line with asset requirements and consist of funding provided by the Spanish parent company.

Santander Consumer Renting S.r.l.

The mission of Santander Consumer Renting, established in 2022 by Santander Consumer Bank, is to provide long-term rental services at the strategic level of the Spanish Group.

It is also noted that in 2026 Drive was merged by incorporation into Santander Consumer Renting; for further information, please refer to the Consolidated Directors' Report – Matters of note.

New business

Instalment new business (car leasing) amounted to EUR 78.3 million, down (10.7%), as the company prioritized products with high profitability and low risk (in terms of managing residual values), which limited volume growth.

Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	(4.9)	(2.2)	(2.7)	126.9%
Net commission	(0.3)	(0.2)	(0.1)	77.8%
Net other operating incomes / costs	4.6	2.8	1.9	66.9%
Operating incomes	**(0.6)**	**0.5**	**(1.0)**	**-222.5%**
Payroll costs	(2.8)	(2.1)	(0.7)	32.5%
Administrative costs	(2.3)	(1.3)	(0.9)	68.0%
Amortizations	(0.3)	(0.5)	0.2	-43.1%
Operating costs	**(5.4)**	**(4.0)**	**(1.4)**	**34.8%**
Operating result	**(5.9)**	**(3.5)**	**(2.4)**	**68.1%**
Other net accrual	(0.1)	-	(0.1)	100.0%
Profit or loss before tax	**(6.0)**	**(3.5)**	**(2.5)**	**71.8%**
Tax	1.4	0.8	0.6	70.9%
Profit or loss after tax	**(4.7)**	**(2.7)**	**(2.0)**	**72.1%**

Operating income declined (EUR -0.6 million), as the increase in net leasing income, although growing, was partially absorbed by the related depreciation (influenced by the fair value of cars already in the portfolio). These events consequently reduced the margin needed to cover the cost of funding.

Operating costs increased (+44.9%), mainly due to the strengthening of the structure in terms of internal resources, derived mainly from secondments from Drive in relation to the commercial area.

Positive taxes of EUR 1.4 million increased (+71.8%) in line with changes in the taxable base and is characterised by the recognition of income from the transfer of tax losses to the tax consolidation.

Loss after tax amounted to EUR -4.7 million (EUR -2.7 million in 2024).

Main balance sheet aggregates

Property, plant and equipment held for operating leasing purposes, amounting to EUR 149.2 million, increased (+43.8%) thanks to the above-mentioned increase in new business.

Financial payables, amounting to EUR 161.0 million, increased (+35.2%) in line with asset requirements and consist of funding provided by the Parent Company Santander Consumer Bank.

Drive S.r.l.

The mission of Drive, established in 2022 by Santander Consumer Bank with a subsequent contribution of experience in the automotive sector from two commercial partners (until July 2025), is to provide long-term rental services.

It is also noted that in 2026 Drive was merged by incorporation into Santander Consumer Renting; for further information, please refer to the Consolidated Directors' Report – Matters of note.

New business

New instalment business (car leasing) amounted to EUR 8.5 million, down (-83.5%), as the company substantially slowed down current operations at Drive to prioritise the above-mentioned operational reorganization, concentrating commercial efforts on the incorporating company Santander Consumer Renting.

Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	(2.3)	(2.3)	0.0	-1.9%
Net commission	(0.2)	(0.2)	(0.0)	10.8%
Net other operating incomes / costs	1.5	0.7	0.8	117.3%
Operating incomes	**(1.0)**	**(1.8)**	**0.8**	**-45.5%**
Payroll costs	(0.8)	(1.1)	0.3	-25.0%
Administrative costs	(1.3)	(1.6)	0.3	-16.7%
Amortizations	(0.3)	(0.3)	0.0	-1.1%
Operating costs	**(2.4)**	**(2.9)**	**0.5**	**-18.3%**
Operating result	**(3.4)**	**(4.7)**	**1.4**	**-28.6%**
Profit or loss before tax	**(3.4)**	**(4.7)**	**1.4**	**-28.6%**
Tax	0.7	1.1	(0.3)	-32.1%
Profit or loss after tax	**(2.6)**	**(3.7)**	**1.0**	**-27.6%**

Operating income increased (EUR +0.9 million), as the increase in net leasing income was absorbed by the related depreciation (influenced by the fair value of vehicles already in the portfolio) to a lesser extent than in 2024, which was affected by one-off rebalancing events. These events improved the situation, but not sufficiently to generate the margin required to cover the cost of funding.

Operating costs decreased (-14.9%), mainly thanks to certain secondments relating to the commercial area to Santander Consumer Renting and some rationalisation measures on general expenses.

Positive taxes of EUR 0.7 million decreased (-28.6%), in line with changes in the taxable base and are characterised by the recognition of income from the transfer of tax losses to the tax consolidation.

Loss after tax amounted to EUR -2.6 million (EUR -3.7 million in 2024).

Main balance sheet aggregates

Property, plant and equipment held for operating leasing purposes, amounting to EUR 43.7 million, decreased (-29.5%) due to the above-mentioned new business dynamics.

Financial payables amounting to EUR 55.1 million decreased (-21.9%) in line with asset requirements and consist of funding provided by the Parent Company Santander Consumer Bank.

C – Performance of interest-bearing assets and liabilities

C.1 – New business

New business (EUR/MM)	2025	2024	Var.	%
Vehicle	**5,435.2**	**4,955.9**	**479.3**	**9.7%**
- Vehicle loans	4,642.8	4,745.2	(102.4)	-2.2%
- new vehicle	*3,156.6*	*3,571.7*	*(415.1)*	*-11.6%*
- used vehicle	*1,486.2*	*1,173.5*	*312.7*	*26.6%*
- Financial leasing	705.6	71.5	634.1	886.9%
- Operating leasing	86.8	139.2		
Consumer loans	**1,280.3**	**1,522.1**	**(241.8)**	**-15.9%**
- Personal loan	671.1	891.0	(219.9)	-24.7%
- Special pourpose loan	536.2	580.5	(44.3)	-7.6%
- Salary assignement	72.2	47.4	24.8	52.3%
- Credit card	0.8	3.2	(2.4)	-75.0%
Total	**6,715.5**	**6,478.0**	**237.5**	**3.7%**

New instalment business volumes increased (+3.7%).

The Automotive segment increased (+9.7%) thanks to the results achieved by the subsidiary Stellantis Services Italia and the Parent Company, despite a decline in operating leasing resulting from the reorganisation of the business of Santander Consumer Renting and Drive (for further information, please refer to the "Consolidated Directors' Report – Group companies").

The Consumer segment decreased (-15.9%) due to lower volumes generated on personal loans arising from the agreement between Santander Consumer Bank and Poste Italiane, and a contraction in TIMFin special-purpose loans, partially offset by a recovery in the salary assignment business.

C.2 - Funding

Overall indebtedness increased (+11.4%) due to the following dynamics.

- Bank funding, representing 48.7% of total funding, amounted to EUR 8,463.8 million and was substantially stable (+0.1%). It is largely made up of relationships with the Spanish Parent Company (in the form of ordinary loans, subordinated loans eligible as Tier 2 regulatory capital and Senior Non-Preferred bonds eligible as liabilities for MREL purposes).
- Customer funding, representing 51.3% of total funding, amounted to EUR 8,898.3 million, up 24.9%, thanks to the significant contribution from SRT (Significant Risk Transfer) securitisation transactions placed with the market.

Overall, ECB reference rates continued to decline during 2024 (the ECB deposit facility rate went from 3.15% at end-2024 to 2.15% at end-2025) and this trend also translated into the effective cost of funding.

D – Significant events and matters of note

Merger by incorporation of Santander Consumer Finance into Openbank

Openbank will gradually become the Spanish Group's brand for its consumer credit activities in Europe.

The legal entities Openbank and Santander Consumer Finance (the parent company of Santander Consumer Bank) will operate under a single operating platform and legal structure.

The merger will streamline operations and give Openbank and Santander Consumer Finance customers access to a broader range of products, further improving the service offered to partners.

Germany will be the first market to adopt Openbank as a single brand, followed by other markets.

Merger by incorporation of Drive into Santander Consumer Renting

In July 2025, Santander Consumer Bank purchased the minority interest (25%) held in Drive for EUR 0.4 million.

Following the acquisition of full control, the Group began reorganisation activities aimed at increasing the efficiency of the operating leasing business by merging Santander Consumer Renting and Drive.

In order to make the transaction effective, Santander Consumer Bank strengthened the equity of the companies in advance by making a contribution to future capital increases of EUR 9 million in Santander Consumer Renting and EUR 3 million in Drive.

On 9 January 2026, the deed of merger by incorporation of Drive into Santander Consumer Renting was executed before a notary, with accounting and tax effects from 1 January 2026. For accounting purposes, pursuant to IFRS 3 and Assirevi OP2, the transaction qualifies as a business combination at carrying amounts as at the dates mentioned, without remeasurement of balance sheet items, since both companies were already under the control of the Parent Company.

Non-recourse transfer of loans

In December 2025, Santander Consumer Bank sold an NPL (Non-Performing Loan) portfolio consisting of write-off under-management loans amounting to EUR 61 million, generating a positive profit-and-loss impact of EUR 13 million.

In November 2025, TIMFin sold an NPL (Non-Performing Loan) portfolio consisting of write-off under-management loans amounting to EUR 12.1 million, generating a negative profit-and-loss impact of EUR 0.4 million.

In December 2025, Stellantis Financial Services Italia carried out a non-recourse factoring transaction involving the disposal of performing loans arising from Stock Finance transactions, amounting to EUR 493.6 million.

Securitisation transactions

Santander Consumer Bank finalised two SRT (Significant Risk Transfer) securitisation transactions, without accounting derecognition, backed by car loans and personal loans:

- The first transaction, carried out in June 2025, involved the transfer of EUR 1,315 million, envisaging the possibility of an additional revolving acquisition of performing loans over the subsequent six months;
- The second transaction, carried out in October 2025, involved the transfer of EUR 506 million, envisaging the possibility of an additional revolving acquisition of performing loans over the subsequent six months.

All notes were issued to third parties, except for the residual excess spread notes, which were subscribed by Santander Consumer Bank itself.

Stellantis Financial Services Italia completed two SRT (Significant Risk Transfer) securitisation transactions, without accounting derecognition, backed by car loans and personal loans:

- The first transaction, carried out in May 2025, involved the transfer of EUR 1,000 million, envisaging the possibility of an additional revolving acquisition of performing loans over the subsequent seven months;
- The second transaction, carried out in November 2025, involved the transfer of EUR 1,000 million, envisaging the possibility of an additional revolving acquisition of performing loans over the subsequent seven months.

All issued notes were sold to third parties, except for the residual excess spread notes, which were subscribed by Stellantis Financial Service Italia itself.

For further details, please refer to the Notes to the Consolidated Financial Statements, Part E - C. Securitisation transactions.

Micro cash flow hedge

In June 2025, Santander Consumer Bank, aligning with the Group approach, adopted the IFRS 9 regulatory changes relating to hedging structures.

In this context, in October 2025 it adopted a micro cash flow hedge to mitigate cash flow variability risk in relation to its liabilities consisting of ABS notes on securitisations placed with the market. The instrument used—an IRS—provides for the payment of a fixed rate in exchange for the receipt of a variable leg (which mitigates the variable cash flows arising from the hedged item), and is recognised as mark-to-market changes in the related "Valuation reserve", net of the related tax effect.

Early-exit incentives

In the last quarter of 2025, Santander Consumer Bank launched voluntary early-exit incentive schemes, recognising an income statement impact of EUR 5.6 million (of which EUR 2.9 million was still included in the related provision at the financial statements' reference date to cover acceptances that will materialise during 2026).

In the last quarter of 2025, Stellantis Financial Services Italia launched voluntary early-exit incentive schemes, recognising an income statement impact of EUR 4.6 million (the acceptances were fully formalised during 2025).

Lexitor judgment

Following the well-known judgment in Case C-383/18 – Judgment of the European Court of Justice (First Section) of 11 September 2019 ("Lexitor"), on 4 December 2019 Bank of Italy issued "guidelines" to the market aimed at facilitating alignment with the framework outlined by the abovementioned ruling and at preserving the quality of customer relations. It stated that, in the event of early repayment of a loan, the consumer's right to a reduction in the total cost of credit should be considered to include all costs charged to the consumer, excluding taxes; therefore, not only costs linked to the duration of the credit relationship, but also so-called "up-front" costs, which do not depend on the duration of the financing.

As from the issuance by the Bank of Italy of its guidelines in question (4 December 2019), the Parent Company adjusted, for loans settled after that date, the early settlement calculations in accordance with the notion of the cost of credit set out by these standards, providing the related refunds in the event of early repayment. Moreover, a provision for risks and charges for Euro 26.9 million was set aside in the financial statements as at 31 December 2019 to cover these liabilities (detailed below). In this context, from the beginning of 2020, with a view to complying with the Bank of Italy's abovementioned guidelines, the Parent Company supplemented its contractual standards.

Subsequently, Italian Law No. 106 of 23 July 2021 – converting, with amendments, Italian Decree-Law No. 73 of 25 May 2021 ((so-called Sostegni bis - Support bis - Decree) – introduced, with effect from 25 July 2021, through Art. 11-octies, a new wording of Art. 125-sexies of the Consolidated Low on Banking, amending the rules governing early repayment of consumer credit agreements. In particular, paragraph 2 of that article provides that, for early terminations of contracts signed before the date of entry into force of the conversion law of the aforementioned decree, the provisions of Art. 125-sexies of the Consolidated Law on Banking and the secondary regulations contained in the Bank of Italy's transparency and supervisory provisions in force at the date of contract signature continue to apply. Conversely, for contracts signed after 25 July 2021, the repayment applies—proportionally to the residual life of the contract—to interest and all costs included in the total cost of credit, excluding taxes, according to the criteria set out in those contracts.

The Bank has therefore aligned itself with the provisions of the Decree described above, applying—starting from July 2021, in the event of early termination—what is provided for (i) by the loan agreement and (ii) by the provisions of Art. 125-sexies of the Consolidated Law on Banking pursuant to Italian Legislative Decree No. 385 of 1993 in force at the date of signature of the loan agreement.

Following this legislative intervention, the ABF Coordination Board, with decision No. 21676/2021 of 15 October 2021, acknowledged the differentiated regulatory regime introduced by the legislator for contracts entered into up to 25 July 2021 and those entered into thereafter, recalling a similar position expressed by other EU countries also to protect the lender's legitimate expectations, and therefore concluded that "up-front" costs are not refundable for all contracts entered into before 25 July 2021.

By order of 2 November 2021, the Court of Turin held that the question of the constitutionality of Art. 11-octies was relevant and not manifestly unfounded, due to its conflict with Articles 3, 11 and 117(1) of the Constitution, with consequent transmission of the documents of the trial to the Constitutional Court. The Court based this on the dual finding of the impossibility of interpreting the statutory provision in conformity with the "Lexitor" judgment and, at the same time, the absence of the conditions to apply EU law directly by disapplying the domestic law provision that is incompatible with it.

By means of Ruling No. 263 of 22 December 2022, the Constitutional Court ruled on the reduction of the total cost of consumer credit in the event of early repayment of the loan and declared the new article of the Sostegni-bis Decree unconstitutional, limited to the reference to "the secondary rules contained in the Bank of Italy's transparency and supervisory provisions". In particular, the Court held that the cross-reference made by the legislator, in the transitional provision, to the Bank of Italy's secondary legislation was contrary to the principle of the primacy of EU law, as it effectively prevented the application of Article 16(1) of the Consumer Credit Directive, as interpreted by the Court of Justice.

Although the Constitutional Court has ruled on the interpretative issue with reference to the application of Art. 125-sexies of the TUB in the version prior to the reform, several doubts remain as to the actual scope of application of the principles set out by the Court.

With judgment of 9 February 2023 (Case C-555/21), the Court of Justice of the European Union, ruling on a request for a preliminary ruling from the Austrian Supreme Court, clarified that the consumer's right to a reduction in the total cost of credit in the event of early repayment, pursuant to Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property, is intended to adjust the credit agreement to the circumstances of early repayment. Compared to what the Court had stated in its judgment of 11 September 2019 ("Lexitor") in the area of consumer credit, the Court of Justice of the European Union affirmed, in the context of real estate loans, but still on early repayment, that the consumer's right to reimbursement therefore does not include costs that, regardless of the duration of the contract, are charged to the consumer in favour of both the creditor and third parties for services that have already been fully performed at the time of early repayment.

Moreover, domestic legislation intervened with Italian Decree-Law No. 104 of 10 August 2023 (so-called Omnibus Decree - containing "Urgent provisions for the protection of users, regarding economic and financial activities and strategic investments"), subsequently converted into Law by means of Italian Law No. 136 of 9 October 2023, amending Article 11-octies, paragraph 2 of Italian Decree-Law 73/2021, envisaging the following: "1. In article 11-octies, paragraph 2 of Italian Decree Law no. 73 of 25 May 2021, converted, with amendments, by Italian Law no. 106 of 23 July 2021, the second and following paragraphs are replaced by the following: "In compliance with European Union law, as interpreted by the rulings of the Court of Justice of the European Union, in the event of early terminations of contracts signed before the date of entry into force of the law conversion of this decree, the provisions of article 125-sexies of the consolidation act of the banking and credit laws as per Italian Legislative Decree no. 385 of 1 September 1993, in force as at the date the contracts were signed, continue to apply without prejudice to the provisions of the Italian Civil Code on the subject of objective debt and unjust enrichment; in any case, taxes are not subject to reduction", with a clear reference therefore to "...European Union law, as interpreted by the rulings of the Court of Justice of the European Union ... " - which would also seem to involve a reference to the ruling of EU Court of Justice issued in the "UniCredit Bank Austria" case - 555/2023 - and also to the "...matter of objective debt and unjust enrichment" - which would also give foundation to the objection of lack of legitimacy of the Bank in the face of the request for repetition brokerage and insurance costs.

Despite the judgment of the Court of Justice of the European Union in Case C-555/21 and subsequent regulatory measures, differing interpretations remain at national level and requests for preliminary rulings are still pending before the Court of Justice, submitted by lower courts, aimed at obtaining uniform interpretative clarifications on the application of EU law to the rules on early repayment in the context of consumer credit. In particular, the pending referrals concern the interpretation of Article 16(1) of Directive 2008/48/EC and are intended to clarify: (i) whether the reduction of the total cost of credit in the event of early termination may be limited only to costs dependent on the duration of the financing, even where transparent information has been provided; (ii) whether the obligation to refund includes the costs of pre-contractual activities carried out by third parties, irrespective of payment arrangements; and (iii) whether costs unrelated to the duration of the contract, relating to services already fully performed, may be excluded from the refund, also in light of the principle prohibiting unjust enrichment.

In light of the above, the Parent Company considered it appropriate and reasonable to maintain the approach followed up to 2025 for contracts originated before 31 December 2019 and settled before October 2023, taking into account the applicable limitation period. In the second half of the year, however, the Bank considered it appropriate to assess the adoption of a reactive approach to the requested refunds, with a deflationary perspective, while preserving its substantive defences, for all complaints and appeals concerning contracts originated before 31 December 2019 and settled after October 2023 (i.e., after the above-mentioned Omnibus Decree), subject to further refinement, also taking into account the applicable limitation period.

In 2019, a provision for risks of EUR 26.9 million was established to statistically cover potential up-front charges arising from the early settlement of contracts outstanding as at 31 December 2019. This provision was utilised up to July 2021 (so-called Decreto Sostegni bis mentioned above) and kept unchanged from that date until 2023. In 2024, the provision amounted to EUR 7.0 million, as EUR 1.2 million was separated from it and allocated to a new provision intended to cover all complaints and appeals relating to settlements after October 2023. In 2025, this latter provision was utilised for EUR 0.1 million and increased by EUR 0.4 million to extend coverage to complaints and appeals relating to settlements after January 2023.

All costs of any amicable settlements of disputes incurred in 2025 that resulted in cash outflows were recognised directly in the Income Statement, with the exception of the utilisations highlighted above. For further details, please refer to the separate and consolidated Notes – Income Statement – Other operating income and expenses.

As at 31 December 2025, the above-mentioned provisions are considered representative of the foreseeable potential refund risk, taking into account the statistical trend of complaints/litigation already received within this scope and the related payments, the uncertainty of consumer behaviour and the non-uniform interpretation of the courts following legislative interventions, which continue to give rise to differing positions, approaches or orientations by individual judges when issuing decisions, as has been observed in recent months.

Tax aspects

Disputes with regard to the Parent Company Santander Consumer Bank

Dispute on direct taxes

Following a general audit of the 2017 tax year, the Italian Revenue Agency issued an assessment notice relating to findings on direct taxes (ACE and Transfer Pricing). Subsequently, similar partial information requests (Transfer Pricing) were also made for the 2018, 2019 and 2020 tax years, resulting in further assessment notices.

Santander Consumer Bank, disagreeing with the findings, initiated litigation on the matter.

In 2025, while not agreeing with the substance of the dispute, Santander Consumer Bank, for economic reasons, entered into a settlement with respect to Transfer Pricing for the years 2017-2020, resulting in an income statement recognition of EUR 1.5 under "income taxes for the year", considering partial recoverability through the MAP (Mutual Agreement Procedure), plus related interest of EUR 0.4 million recognised under "interest expense".

As a result of this settlement, all related litigation was closed.

Dispute on advance payments relating to withholding taxes on deposit accounts

The Italian Revenue Agency served an assessment notice regarding the method of calculating the advance payments made in relation to withholding taxes on deposit accounts for the 2019 and 2021 tax years.

Following the above, Santander Consumer Bank, disagreeing with the findings, initiated the related litigation.

For the 2019 tax year, the proceedings ended in 2025 with a first-instance decision in favour of the Company. The Revenue Agency, disagreeing with this decision, filed an appeal to the second instance.

For the 2021 tax year, the proceedings are still ongoing.

External advisers' opinion on this matter remains in favour of the Bank, also in light of the above-mentioned first-instance judgment.

Patent box

The patent box is an optional tax incentive regime provided for by Art. 6 of the Italian Decree-Law No. 146 of 21 October 2021, which allows the entity holding the right to exploit economically industrial patents, designs and models and software protected by copyright to benefit, for IRES and IRAP purposes, from an enhanced tax deduction of 110% in relation to expenses incurred for the research and development of the intangible assets used, directly or indirectly, in business activities.

In this context, in 2024 the Parent Company, Santander Consumer Bank, with the support of specialised external consultants, identified the possibility of obtaining these benefits in relation to software owned by the Bank. The incentive was also available in 2025.

Disputes regarding Stellantis Renting Italia S.p.A.

Audit

During 2025, the Italian Revenue Agency carried out an audit at the Company's registered office relating to the 2017 tax year. The audit was concluded in the same year with minor findings, for which the Company paid the related taxes and penalties.

Dispute on provincial registration tax

The Metropolitan City of Milan served an assessment notice regarding provincial registration tax for the 2018 and 2019 tax years. Following the above, Stellantis Renting Italia, disagreeing with the findings, initiated the related litigation.
For the 2018 tax year, the proceedings ended in 2024 with a first-instance decision in favour of the Company. The Revenue Agency, disagreeing with this decision, filed an appeal to the second instance.
For the 2019 tax year, the proceedings ended in 2025 with a first-instance decision unfavourable to the Company, which filed an appeal to the second instance.
External advisers' opinion on this matter remains in favour of the Company. Stellantis Renting Italia decided to maintain the related provision for risks, recognised in previous years, amounting to EUR 1.9 million, since the legal proceedings have not yet been completed.

Disputes regarding Santander Consumer Renting and Drive

Dispute on provincial registration tax

The Metropolitan City of Turin served an assessment notice regarding provincial registration tax for the 2022 and 2023 tax years for Santander Consumer Renting and 2022 for Drive.
Following the above, Santander Consumer Renting and Drive, disagreeing with the findings, appealed against the notices received.
External advisers' opinion on this matter remains in favour of the companies.

Pillar 2 – Global Minimum Tax

The Group decided to make use of the transitional regime known as Transitional Safe Harbours, for the 2024-2026 period, through the use of the Simplified ETR Test, which compares, for each year and for each jurisdiction in which the multinational Group operates, the data from the qualified CbC Report represented by *Simplified Covered Taxes* (current taxes) *and Profit before tax* (profit/loss before tax).

This test aims to measure, for each country perimeter, the Effective Tax Rate so that it is respectively higher than:

- 15% for 2024
- 16% for 2025
- 17% for 2026

During 2025, the regulator issued the related operating instructions, under which the first return will have to be filed during 2026.

Considering the current and prospective level of the nominal Tax Rate, as well as the effective rate measured internally, with reference to the Group entities located in Italy, no quantitative impacts are expected in terms of minimum tax due.

2026 Budget Law

The 2026 Budget Law introduced several provisions with significant impacts on the banking sector.

In particular, the main aspects are as follows:

- increase in the IRAP rate by 2% for the 2026-2028 three-year period;
- limitation on the deductibility, for IRES and IRAP purposes, of interest expense for the 2026-2029 four-year period, with an increasing percentage (from 96% to 99%);
- transitional regime for deductibility, for IRES and IRAP purposes, of credit loss provisions relating to stage 1-2, in order to spread the effect over five equal instalments, for the 2026-2029 four-year period;

- deferral of a portion of deductions relating to DTAs recognised on monetisable write-downs (Law 214/2011), on IFRS 9 FTA adjustments and on goodwill from 2027 to the following two years;
- limitation on the use of prior-year tax losses and ACE with respect to the higher taxable income (resulting from the above changes) to 35% for 2026 and 42% for 2027;
- changes concerning the extraordinary tax on banks' excess profits, with the introduction of a presumption of priority distribution of the reserve and the option to release it by paying an extraordinary contribution calculated on the value of the reserve as at 31 December 2025, applying 27.5% for 2025 and 33% for 2026.

The combined effect of these measures will result in an increase in taxes payable by the Group in future years.

In addition, in the 2025 financial statements the Group recognised a positive effect relating to the adjustment of the value of DTAs of EUR 1.5 million following the increase in the IRAP rate.

Basel IV

In 2024, the Basel Committee issued a new document entitled "Basel IV" in order to improve prudential regulation and the management of the various risks that banks have had to face following the global financial crisis of 2007-2008. From a practical standpoint, the purpose of this document is to make the different risk profiles of banks more comparable, albeit with different weights, both for large banks (significant) and for smaller ones (less significant), converging towards standardised methodologies.

Beyond what was already adopted in the previous year, in 2025 the regulatory changes mainly concern methodological revisions for credit and operational risk. While the impact on credit risk is limited mainly to updates to the definition of SMEs (based solely on the quantification of turnover and total exposure), the changes relating to the most significant component—operational risk—are linked to the determination of the new indicator based on the size of the institution's activity (Business Indicator Component, BIC). This is obtained from the sum of the components (BI) of interest and dividends (ILDC), services (SC) and financial (FC), averaged over three years and adjusted by an incremental Beta coefficient dependent on the size of the entity's BI. The result is an increase in RWAs at individual level of EUR 31.3 million and at consolidated level of EUR 63.9 million.

For further information, please refer to the Notes to the Consolidated Financial Statements – Part F.

E – Results for the year

The Group has a reasonable expectation of continuing as a going concern for the foreseeable future and has therefore prepared its consolidated financial statements on a going concern basis, in accordance with the guidance provided in Document No. 4 of 3 March 2010 jointly issued by the Bank of Italy, Consob and Isvap, titled "Information to be provided in financial reports on impairment testing of assets, contractual clauses of financial liabilities, debt restructuring and the fair value hierarchy", which makes reference to the corresponding Document No. 2 jointly issued by the same Authorities on 6 February 2009.

E.1 – Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	450.9	366.1	84.8	23.2%
Net commission	119.1	99.4	19.7	19.8%
Net result of financial assets and liabilities at fair value	(5.6)	(3.2)	(2.5)	77.7%
Net other operating incomes / costs	8.9	10.9	(2.0)	-18.7%
Operating incomes	**573.2**	**473.2**	**100.0**	**21.1%**
Payroll costs	(98.3)	(90.4)	(7.9)	8.7%
Administrative costs	(82.8)	(77.1)	(5.7)	7.4%
Amortizations	(26.2)	(31.3)	5.1	-16.2%
Operating costs	**(207.3)**	**(198.7)**	**(8.5)**	**4.3%**
Operating result	**365.9**	**274.5**	**91.5**	**33.3%**
Net adjustments on financial activities	(142.3)	(127.3)	(14.9)	11.7%
Other net accrual	(14.5)	(0.7)	(13.9)	2077.0%
Contribution to banking system	(0.2)	(2.0)	1.8	-90.0%
Other net operating income/expenses	(0.7)	(0.8)	0.1	-8.9%
Profit or loss before tax	**208.2**	**143.6**	**64.5**	**44.9%**
Tax	(72.5)	(41.3)	(31.2)	75.6%
Profit or loss after tax	**135.7**	**102.4**	**33.3**	**32.5%**
of which group	***76.8***	***63.3***	***13.5***	***21.3%***
of which of minority	***58.8***	***39.0***	***19.8***	***50.9%***

Operating income increased (+21.1%) due to the following dynamics:

- Net interest income increased (+23.2%), thanks to higher interest income from customers, which amounted to EUR 960.2 million (EUR 851.7 million in 2024), driven by outstanding dynamics (detailed below) and repricing actions. This was partially offset by the decrease in rates set by the Central Bank, which negatively affected the contribution of interest income from HQLA instruments and derivatives and at the same time provided a benefit on interest expense:

Net interest (EUR/Mln)	2025	2024	Var.	%
Interest income	**1,007.3**	**961.8**	**45.5**	**4.7%**
Interest income on medium bearing assets (%)	5.7%	5.7%		
Interest expenses	**(556.4)**	**(596.1)**	**39.7**	**-6.7%**
Interest expenses on medium bearing liabilies (%)	-3.4%	-3.7%		
Total net interest	**450.9**	**365.7**	**85.2**	**23.3%**
Net interest spread (%)	2.3%	1.9%		

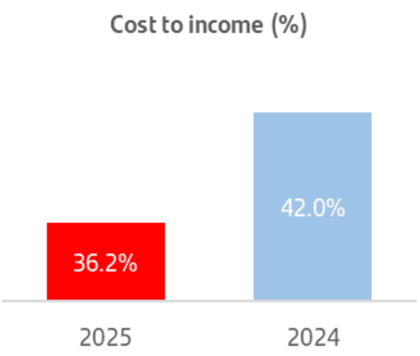
- Net fee and commission income increased (+19.8%) thanks to higher penetration of insurance products in the automotive product.

- Net gains/(losses) on financial assets and liabilities at fair value decreased (EUR -2.5 million) due to market rate fluctuations that affected the value of derivative instruments and related hedges.
- Other net operating income (expense) decreased (EUR -2 million) due to lower costs related to operational risk, partially offset by higher income from operating leasing and servicing income.

Operating costs increased (+4.3%) due to the following dynamics:

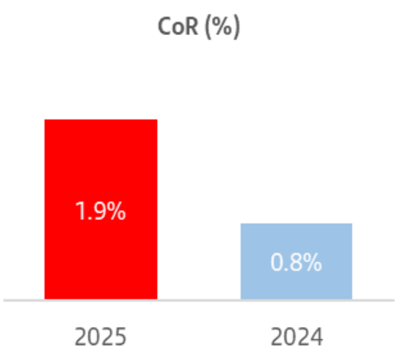
- Personnel expenses increased (+8.7%), mainly due to the revaluation of collective labour agreements and higher accruals for company bonuses;
- Administrative expenses increased (+7.4%), mainly due to higher costs for Group services originating from the subsidiary Stellantis Financial Services Italia;
- Depreciation/amortisation decreased (-16.2%) thanks to a lower impact of amortisation of intangible assets relating to the Parent Company.

Below is shown the trend of the cost-to-income ratio (calculated as operating costs over operating income):



Net impairment losses on loans increased (+11.7%) due to several events mainly attributable to portfolio growth (primarily driven by the automotive segment managed by Stellantis Financial Services) and the revision of IFRS 9 model parameters. For further details, please refer to the Notes to the Consolidated Financial Statements – Part E. This result was partially mitigated by a positive effect of EUR 12.6 million (EUR 14.6 million in 2024) arising from non-recourse disposal of NPL (Non Performing Loans) portfolio in write-off under-management.

Below is shown the trend of the Cost of Risk indicator (calculated as net impairment losses on loans to customers over gross loans to customers):



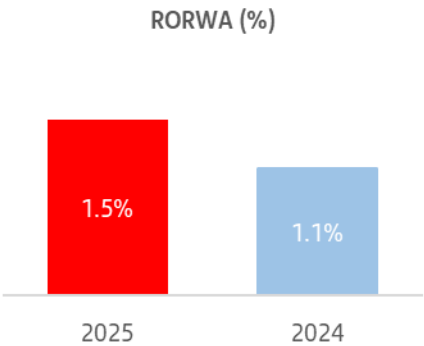
Other net provisions increased by EUR 13.9 million mainly due to the recognition of voluntary early-exit incentives. For further information, please refer to the "Consolidated Directors' Report – Matters of note".

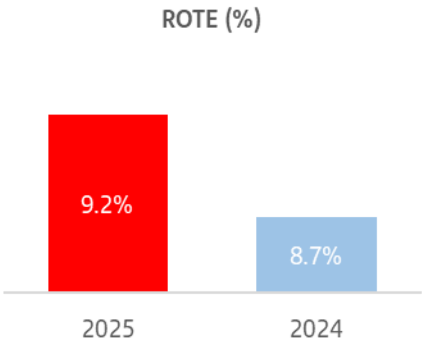
Contributions to the banking system decreased by EUR 1.8 million due to the lower request from the Interbank Deposit Protection Fund.

Taxes increased by EUR 31.2 million, due to the change in the taxable base and the lower impact of the Patent Box incentive (compared to 2024).

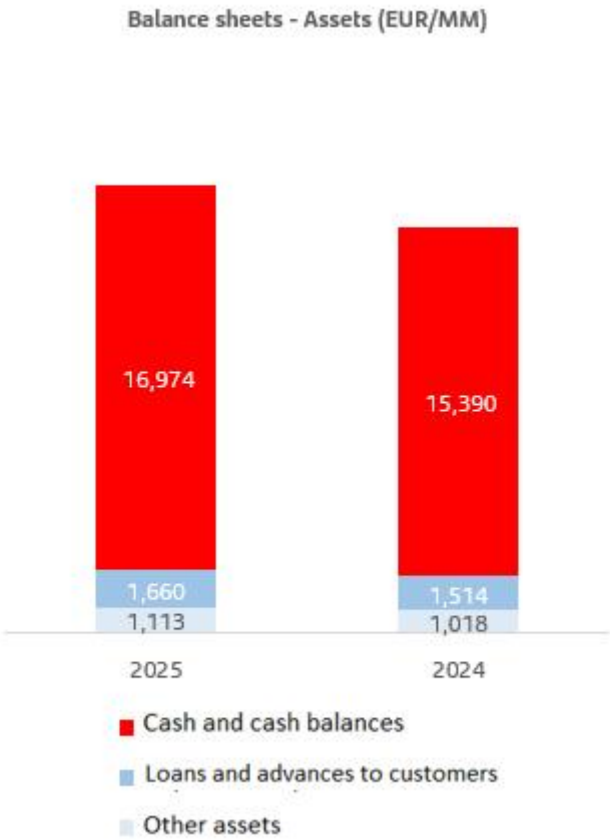
Profit after tax amounted to EUR 135.7 million (EUR 102.4 million in 2024), of which EUR 76.8 million attributable to the Group (EUR 63.3 million in 2024).

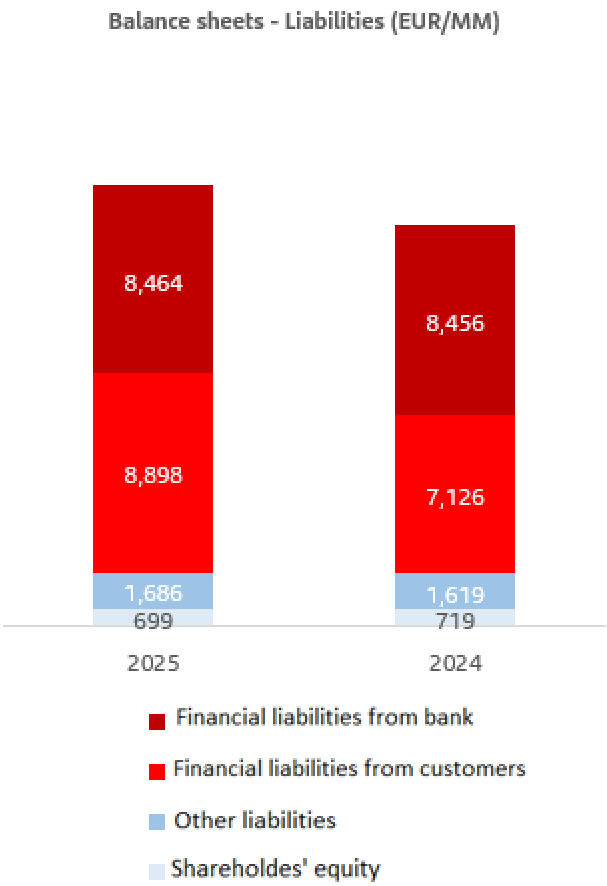
Below is the trend of the RoRWA indicator (determined as profit after tax over average annual risk-weighted assets) and RoTE (profit after tax over equity net of intangible assets and average annual profit for the period).





E.2 – Main balance sheet aggregates





Assets consist mainly of loans to customers, which have the following composition:

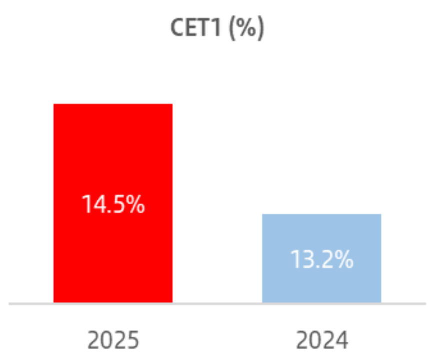
Customer loans (EUR/MM)	2025	2024	Var.	%
Car loans	9,583.6	7,936.8	1,646.8	20.7%
Car leasing	1,374.7	1,150.3	224.4	19.5%
Personnel loan	2,228.9	2,160.7	68.2	3.2%
Special-purpose loan	754.7	825.6	(70.9)	-8.6%
Salary assignment	598.2	722.6	(124.4)	-17.2%
Credit card	0.1	2.5	(2.4)	-96.0%
Stock finance	2,664.1	2,770.3	(106.2)	-3.8%
Factoring	39.0	81.9	(42.9)	-52.4%
Gross loans to customers	**17,243.3**	**15,650.7**	**1,592.6**	**10.2%**
Accumulated value adjustements on loans	(269.0)	(260.8)	(8.2)	3.1%
Net loans to customers	**16,974.3**	**15,389.9**	**1,584.4**	**10.3%**

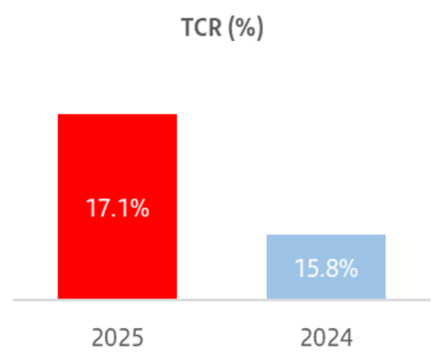
The aggregate, overall increasing (+10.3%), was influenced by new instalment business disbursements generated during the year (for further information, please refer to the Individual Directors' Report – Trend in interest-earning assets and liabilities – New business).

Cash and cash equivalents and debt securities (entirely consisting of Italian government bonds) increased (+9.7%) as a result of ordinary liquidity management policies supporting regulatory indicators.

Liabilities consist mainly of financial payables to banks and customers, increasing (+11.4%) in line with asset requirements (for further information, please refer to the Individual Directors' Report – Trend in interest-earning assets and liabilities – Funding).

Shareholder's equity, up 4.1% due to the allocation to reserves of the prior year's result and the generation of the result for the period, is more than adequate with respect to regulatory requirements, as evidenced by the CET1 (Common Equity Tier 1 ratio, calculated as Common Equity Tier 1 capital over risk-weighted assets on the highest capital level) and the TCR (Total Capital Ratio, calculated as total capital over risk-weighted assets on own funds):





E.3 – Reconciliation statement of Consolidated and Individual Shareholder's Equity and Net Profit

	Shareholders' equity	of which: Result at 31/12/2022
Balances of the Parent Company at 31/12/2024	**1,038,286**	**67,804**
Effect of consolidation of subsidiaries	150,330	9,013
Minority interests	497,128	
Consolidated balances at 31/12/2024	**1,685,744**	**76,817**

F – Significant events after the reporting period

Pursuant to IAS 10, it is noted that these financial statements were authorised for publication by the Board of Directors on 18 February 2026.

From the end of the financial year to the date on which the draft financial statements were approved by the Board of Directors, the merger by incorporation of Drive into Santander Consumer Renting took place. The transaction is effective from 1 January 2026 and therefore has no effects on these financial statements; for further information, please refer to the paragraph "Consolidated Directors' Report – Matters of note". Accordingly, the draft financial statements accurately reflect the events that affected the Group's operations during the 2025 financial year.

G – Strategic management and outlook

The guiding principles of the Group's strategy are:

Think Value	Maximising **value creation**
Think Customer	Remain focused on the **customer experience** and on the quality of services
Think Global	Exploiting Group synergies through **common operating models** and **technological developments**

In this context, the vision is to offer competitive solutions to customers in order to strengthen the Group's positioning in terms of profitability and scale in the car loans and leasing and consumer loans sector, through the following priorities:

- maintain and increase penetration in the relevant sector, including through new digital solutions;
- continue transforming internal operating models through IT automation and process redesign;
- reduce sensitivity to interest rate variability, while increasing the acquisition of funding sources external to the Group such as deposits;
- promote capital optimisation models, such as SRT (Significant Risk Transfer) securitisation transactions;
- continue supporting the green transformation of the automotive sector and develop new initiatives in other sectors.

H – ESG

ESG criteria (Environmental, Social and Governance) increasingly shape and impact the strategies and communications of companies and organisations in various sectors. Specifically, they encompass a set of criteria that translate into a set of standards that a company's operations should be inspired by in order to achieve specific environmental, social and governance outcomes.

ESG reference points can be found in the 2030 Agenda for Sustainable Development, a programme endorsed in 2015 by the UN General Assembly. The Agenda covers commitments for people, prosperity and safeguarding the planet and is embodied in the 17 Sustainable Development Goals (SDGs).

The Group is aware of the long-term value of its activity and of the impact it can generate on the community as a whole. The Group undertakes specific ethical, social and environmental commitments to support the SDGs (Sustainable Development Goals) and defines a reliable financial system aimed at consumer trust, respect for human rights, combating climate change, transparency and the prevention of money laundering. It is also oriented towards creating long-term value and managing social and environmental risks, defining roles and responsibilities in the development of processes and in its strategy.

H.1 – Environment

- Net Zero Banking Alliance: the Net Zero Banking Alliance (NZBA) is the UN-led initiative of which Banco Santander is among the founding members. The initiative requires participating banks to commit to aligning their lending and investment portfolios with the goal of achieving net zero emissions by 2050, in line with the targets set by the Paris Climate Agreement.

  The Parent Company Santander Consumer Bank, recognising its important role in the transition towards a green economy, analysed several decarbonisation scenarios for its automotive portfolio, defining an intermediate 2030 target of 93 gCO_2e/km (-39% compared with the measurement value as at December 2022).

- Affordable and Clean Energy: ensure universal access to affordable, reliable and modern energy services; substantially increase the share of renewable energy; enhance international cooperation to facilitate access to energy research and technology, promoting investment in clean energy infrastructure and technologies.

  As an example, the Parent Company Santander Consumer Bank uses 100% electricity from renewable sources certified by Guarantees of Origin (DoO) for Santander Building. In addition, following the renovation works carried out in 2021, Santander Building obtained the prestigious GBC Italia Historic Building certification, which combines the sustainability criteria of the LEED protocol with the building's historical heritage. Thanks to the internal insulation system (not applicable to the external façade due to heritage constraints), groundwater heat-pump air conditioning, fully LED lighting and smart management through a BMS, Santander Building saves 24% energy compared with the reference building.

- Responsible Consumption and Production: ensure sustainable consumption and production patterns; substantially reduce waste generation through prevention, reduction, recycling and reuse; encourage companies to adopt sustainable policies.

  As an example, the Parent Company Santander Consumer Bank reduced the use of plastic by providing water dispensers and distributing reusable bottles to employees. Lastly, in addition to the use of recycled paper, separate waste collection is ensured in the building, encouraging reuse and recycling.

- Climate Action: take action to combat climate change and its impacts, integrating it into corporate policies, strategies and planning.

  Beyond Net Zero targets, the Group is committed to a number of initiatives, such as: supporting customers in the transition to a low-carbon economy by expanding its catalogue of sustainable products and focusing on Green Finance, in line with the European taxonomy of environmentally sustainable activities; encouraging employees to use green mobility solutions through incentives for annual public transport passes, replacing corporate fleets with hybrid vehicles, and sharing practical advice within the company to reduce environmental impact.

H.2 – Social

The Parent Company Santander Consumer Bank collaborates with various associations and NGOs, supporting them through donations, contributions and sponsorships aimed at the development of charitable activities for social purposes:

- Help for Optimism (H4O): the non-profit organisation operates in north-west Madagascar with the aim of improving public health and hygiene conditions by ensuring access to clean water and sanitation, and promoting the creation of women-led social enterprises. H4O also carries out awareness and global citizenship education activities locally within schools.

  In 2025, the Parent Company contributed to the implementation of a training programme aimed at hiring new resources at Tsara Tsiki, a women-run social enterprise in Madagascar that produces high-quality soaps and toothpastes using local raw materials at an affordable cost for the local community. The objective is to make the enterprise self-sufficient, ensuring its ability to generate long-term social impact by encouraging good hygiene practices and making its products affordable for the local community's economic capacity.

- Ortygia Foundation: the Foundation is a platform aimed at fostering innovation and development in Southern Italy and the Mediterranean area through business support and the enhancement of human capital. We collaborate with the Foundation in developing training activities and mentorship programmes aimed at gender equality, social inclusion, the enhancement of diversity and the reduction of territorial disparities.

  In 2025, the Parent Company took part in the sixth edition of the Young Women Empowerment Program (YEP), Ortygia Foundation's programme to empower young female students in Southern Italy. Through YEP, talented young women enrolled in Master's degree programmes in economics and STEM at major southern universities are paired with an equal number of professionals in a one-to-one mentoring relationship. The Group also confirmed its participation in the seventh edition, which will conclude in 2026.

- Piedmont Foundation for Cancer Research (FPRC): we support the Foundation through donations and contributions for social purposes to promote experimental and clinical oncology research, develop new diagnostic and therapeutic tools useful in defeating the disease, and provide healthcare assistance in oncology across prevention, diagnosis, treatment and rehabilitation.

  In 2025, the Parent Company confirmed its support for the Foundation as a charity partner in the non-competitive sporting event Torino City Run.

- Foundation for Financial Education and Savings (FEduF): the Foundation, established on the initiative of the Italian Banking Association (ABI), pursues objectives of social utility by promoting financial education—within the broader concept of conscious and active economic citizenship education—to develop and disseminate financial and economic knowledge. We have collaborated with the Foundation for years in developing financial education programmes for high school students.

  Each year we organise the financial education course "Che impresa, ragazzi!" for the purpose of providing high school students with tools and skills to bring out and develop an innovative and sustainable business idea. The Group has also made itself available to organise meetings to bring young people closer to the financial sector by designing dedicated paths for high school students and employees' children, to help them approach the university world. In particular, initiatives for young people are organised each October on the occasion of Financial Education Month. Also aimed at young people is the Santander *Open Week*, a week of orientation during which Santander Building opens its doors to university students and to employees' children in the third and fourth year of high school and the first two years of university.

- No Poverty: end poverty in all its forms by implementing social protection initiatives and measures to ensure equal rights.

  As an example, the Parent Company has collaborated and continues to collaborate with various associations such as: *Casa Santa Luisa* to support people without a fixed abode; *Centro di aiuto alla vita* to support families with young children in difficulty; *UGI - Unione Genitori Italiani*, providing support to children with tumours; *Comunità di Sant'Egidio* to support people in difficulty through donations, gift collections and volunteering; *Sermig* through participation in food and basic necessities collections.

- Great Place to Work Italia: the Parent Company was certified as a *Great Place to Work* 2025-2026, confirming its focus on employees' wellbeing and professional growth.

  Specifically, we promote actions to ensure corporate welfare, offering the possibility of free health insurance policies for employees and dependent family members and providing free health *check-ups* for employees. In addition, particular attention is paid to *work-life* balance, ensuring broad time flexibility and promoting *remote working* according to personal and organisational needs, in order to guarantee the right balance between work and private life. Moreover, each year the Parent Company organises a *Be Healthy* programme to raise colleagues' awareness of how to stay healthy, focusing on four pillars: balance, movement, nutrition and prevention. It also offers an anonymous and free psychological support service to help address personal or professional difficulties with the support of a professional.

  The Parent Company promotes training and supports employees' professional growth through specific training tools, including a digital platform with numerous courses to cultivate and develop *hard and soft skills* and a digital language training programme with *one-to-one* lessons or on-demand paths.

H.3 – Governance

- Gender Equality: achieve gender equality and the empowerment of all women and girls.

  The Parent Company constantly analyses and monitors the Equal Pay Gap and Gender Pay Gap within the company, defining policies and guidelines on equality. It also organises awareness initiatives, including digital talks on inclusion and a cultural innovation programme to enhance and include diversity, learning to recognise and overcome cognitive biases and stereotypes.

- Decent Work and Economic Growth: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

  The Group is committed to providing a wide range of physical goods, personal services, education and supplementary pension schemes. It offers deposit account products and personal loans to employees on dedicated terms. The Group promotes an ethical and transparent corporate culture by encouraging the use of whistleblowing channels for reporting misconduct. The Parent Company also promotes employees' professional development through dedicated initiatives: it designs individual professional and training development plans with them based on a skills assessment and supports those going through a career transition through Peer–Peer Master mentoring.

- Peace, Justice and Strong Institutions: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

  The Group ensures the continuous updating of the management, organisation and control model and of the code of ethics. It also defines and publishes internal policies and guidelines to combat corruption and money laundering, as well as internal policies and guidelines on antitrust matters.

H.4 – Non-financial disclosure and sustainability reporting

Pursuant to article 6.2 of Italian Legislative Decree No. 254 of 30 December 2016, which transposed European Directive 2014/95/EU on non-financial information reporting, and by Art. 7, paragraph 1 of Italian Legislative Decree No. 125 of 6 September 2024, which transposed European Directive 2022/2464/EU on corporate sustainability reporting, the Santander Consumer Bank Group (of which Santander Consumer Bank is the Parent Company), although falling within the scope of application of those decrees as a public-interest entity and meeting the required size and capital requirements, benefits from the exemption provided by the regulation, since the document is prepared by the ultimate parent company Banco Santander, which prepares it voluntarily in compliance with the European directive.

I – Other information

Research and development activities

During the year, no activities were carried out that can be classified as research and development as at the date of preparation of these consolidated financial statements.

Risks and related hedging policies

With regard to the main risks and uncertainties to which the Group is exposed, in accordance with Art. 2428 of the Italian Civil Code, it is noted that the operating results, balance sheet and cash flows could be affected by the general macroeconomic environment, trends in the financial markets and performance of the reference sector, as described in the previous paragraphs.

With reference to the disclosure required by the Italian Civil Code on the Group's objectives and policies for the management of financial risks pursuant to paragraph 6-bis of Art. 2428, and regarding the use of financial instruments, please refer, for a detailed analysis, to Part E of the Notes to the financial statements.

Treasury shares

The Group does not hold treasury shares (or shares of its parent companies), either through fiduciary companies or via nominees.

Related parties

For related-party disclosure, please refer to Part H of the Notes to the financial statements.

Santander

Independent Auditors' Report on the Consolidated Financial Statements as at 31 December 2025

Santander Consumer Bank S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

Consolidated financial statements as at December 31, 2025

This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Sole Shareholder of
Santander Consumer Bank S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Santander Consumer Bank Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flow for the year then ended and notes to the consolidated financial statements, including material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Santander Consumer Bank Group as at December 31, 2025 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report.

We are independent of Santander Consumer Bank S.p.A. (the "Bank") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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Key audit matter	Audit procedures addressing the key audit matter
Classification and Measurement of Loans to Customers The financial statement information relating to Loans to customers is mainly reported in the following parts and sections of the Notes to the consolidated Financial Statements: *Part A - Accounting policies; paragraph A.2 "Main items in the financial statements: 3 - Financial assets measured at amortised cost";* *Part B - Information on the consolidated Balance Sheet; Assets, section 4 "Financial assets measured at amortised cost - Item 40";* *Part C - Information on the consolidated income statement; section 8 "Net adjustments/recoveries for credit risk - Item 130";* *Part E - Information on risks and related hedging policies; section 1 "Credit risk".* Loans to customers, recorded under item 40 b) of Assets, amounted to Euro 15,225 million as of December 31, 2025, corresponding to 77% of total assets in the consolidated financial statements. This item was deemed significant for audit purposes, considering both the amount and the characteristics of the processes and the classification and measurement methods, which include the estimation of certain components such as the identification of indicators of significant increase in risk and impairment, the determination of expected cash flows and related recovery times, the recoverable value of guarantees related to receivables, and the determination of the model parameters for calculating expected losses.	The main audit procedures performed in response to the key audit matter relating to the classification and measurement of loans to customersincluded the following activities: ▪ analysis of the procedures and processes relating to the classification and measurement of customer loans; ▪ reconciliation and matchingprocedures between the data present in the management systems and the information reported in the financial statements; ▪ comparative analysis procedures of the portfolio and the related credit risk coverage levels and analysis of the results with the company functions involved; ▪ analysis of the criteria and methods for classifying and evaluating loans to customers; ▪ verification of the reasonableness of the assumptions and components used in the credit assessment models and the related results; ▪ sample-based testingof the classification and valuation of loans to customers in the financial statements in accordance with the provisions of the IFRS adopted by the European Union and the provisions issued in implementation of Article 43 of Legislative Decree 136/2015; ▪ verification of the adequacy of the information provided in the notes to the financial statements.

Other matters

As required by law, the Bank has included in the notes to the consolidated financial statements the key figures from the latest financial statements of the company that manages and coordinates it. The opinion on the consolidated financial statements of Santander Consumer Bank Group does not extend to these figures.

The consolidated financial statements of Santander Consumer Bank Group as of December 31, 2024, were audited by another auditor, who, on March 11, 2025, expressed an unqualified opinion on those financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in 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 Santander Consumer Bank S.p.A. or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 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 exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

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

- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) no. 537/2014

On March 26, 2025, the Shareholders' meeting of Santander Consumer Bank S.p.A. appointed the statutory auditor for the audit of the annual separate and consolidated financial statements for the years ending from December 31, 2025 to December 31, 2033.

We declare that we did not provide the prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Bank in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10

The directors are responsible for the preparation of the group's reports on operations of the Santander Consumer Bank Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the group's consolidated financial statements at December 31, 2025.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to article 14, paragraph 2, letter 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.

Rome, March 10, 2026

BDO Audit Services S.r.l.

Signed by
Emmanuele Berselli
Partner

Consolidated Financial Statements

Consolidated Balance Sheet

In Euro

	Balance sheets - Assets	12/31/2025	12/31/2024
10.	Cash and cash balances	1,225,806,908	1,212,135,386
20.	Financial assets designated at fair value through profit or loss	56,458,626	72,674,975
	a) Financial assets held for trading	56,454,828	72,671,177
	c) Financial assets mandator designed at fair value	3,798	3,798
30.	Financial assets at FV with effects on P&L	1,977,074,900	2,038,815,753
40.	Financial assets measured at amortised cost	15,465,747,203	13,672,791,740
	a) Loans and advances to banks	37,556,740	23,512,536
	b) Loans and advances to customers	15,428,190,463	13,649,279,204
50.	Hedging derivatives	17,502,063	10,039,458
60.	Changes in fair value of portfolio hedged items (+/-)	(7,188,352)	10,104,741
90.	Property, plant and equipment	206,001,595	180,336,898
100.	Intangible assets	99,407,309	115,475,918
110.	Tax assets	142,128,382	151,395,143
	a) current	66,204,218	42,494,233
	b) deferred	75,924,164	108,900,910
120.	Non current assets and disposal groups classified as held for sale	4,709	147,775
130.	Other assets	563,777,416	457,864,809
	Total Assets	**19,746,720,759**	**17,921,782,596**

	Liabilities and Shareholders' equity	12/31/2025	12/31/2024
10.	Financial liabilities valued at amortised cost	17,362,102,650	15,582,799,529
	a) Deposits from banks	7,749,614,142	7,686,598,363
	b) Deposits from customers	1,694,629,552	1,716,209,016
	c) Debt securities in issue	7,917,858,956	6,179,992,150
20.	Financial liabilities held for trading	59,768,831	74,806,072
40.	Hedging derivatives	18,166,026	33,437,972
60.	Tax liabilities	24,981,451	14,359,297
	a) current	22,318,680	12,591,432
	b) deferred	2,662,771	1,767,865
80.	Other liabilities	564,602,418	573,691,400
90.	Provision for employee severance pay	5,323,386	5,391,244
100.	Provisions for risks and charges	26,031,619	17,809,776
	a) commitments and guarantees given	-	4,424
	b) pensions and other post retirement benefits obligations	1,025,787	1,121,553
	c) other	25,005,832	16,683,799
120.	Valuation reserves	872,665	(184,474)
150.	Reserves	537,294,193	501,194,420
160.	Share premium	632,586	632,586
170.	Share capital	573,000,000	573,000,000
190.	Minorities shareholders' equity (+/-)	497,128,146	481,498,308
200.	Net Profit (Loss) for the year (+/-)	76,816,788	63,346,466
	Total liabilities and Shareholders' Equity	**19,746,720,759**	**17,921,782,596**

Consolidated Income Statement

In Euro

	Items	12/31/2025	12/31/2024
10.	Interest and similar income	1,007,288,561	961,750,393
	of which: interest income calculated using the effective interest method	858,998,558	813,220,169
20.	Interest expenses and similar charges	(556,433,412)	(596,088,873)
30.	**Net interest margin**	**450,855,149**	**365,661,520**
40.	Fee and commission income	254,733,014	212,454,736
50.	Fee and commission expenses	(135,662,754)	(113,080,691)
60.	**Net fee and commission**	**119,070,260**	**99,374,045**
80.	Net income financial assets and liabilities held for trading	(2,370,920)	(1,186,415)
90.	Net hedging gains (losses) on hedge accounting	(3,271,700)	(1,988,217)
100.	Gains and losses on disposal of:	12,564,985	14,568,038
	a) financial assets at amortised cost	12,564,985	14,568,038
120.	**Operating income**	**576,847,774**	**476,428,971**
130.	Net losses / recoveries on credit risk relating to	(141,348,203)	(127,110,255)
	a) financial assets at amortised cost	(140,936,443)	(126,493,406)
	b) financial assets measured at fair value with an impact on overall profitability	(411,760)	(616,849)
150.	**Net profit from financial activities**	**435,499,571**	**349,318,716**
180.	**Net profit from financial and insurance activities**	**435,499,571**	**349,318,716**
190.	Administrative costs:	(233,782,779)	(213,884,250)
	a) payroll costs	(108,191,839)	(90,928,825)
	b) other administrative costs	(125,590,940)	(122,955,425)
200.	Net provisions for risks and charges	(4,343,383)	(172,659)
	a) commitments and financial guarantees given	4,424	(4,424)
	b) other net provisions	(4,347,807)	(168,235)
210.	Net adjustments / writebacks on property, plant and equipment	(32,161,157)	(17,990,159)
220.	Net adjustments / writebacks on intangible assets	(23,716,499)	(28,100,060)
230.	Other operating income/expenses	67,100,722	55,278,039
240.	**Operating costs**	**(226,903,096)**	**(204,869,089)**
280.	Gains and losses on disposals on investments	(441,314)	(813,444)
290.	**Total profit or loss before tax from continuing operations**	**208,155,161**	**143,636,183**
300.	Tax income of the year from continuing operations	(72,493,055)	(41,281,350)
310.	**Total profit or loss after tax from continuing operation**	**135,662,106**	**102,354,833**
330.	**Profit or loss for the year**	**135,662,106**	**102,354,833**
340.	Minority profit (loss) of the year	58,845,318	39,008,367
350.	**Parent Company's profit (loss) of the year**	**76,816,788**	**63,346,466**

Statement of Consolidated Comprehensive Income

In Euro

	Items	12/31/2025	12/31/2024
10.	**10. Profit (Loss) income**	**135,662,106**	**102,354,833**
	Other income components net of taxes without reversal to the income statement	**(44,823)**	**7,464**
70.	70. Defined benefit plans	(44,823)	7,464
	Other income components net of taxes with reversal to the income statement	**1,069,512**	**58,691**
130.	Cash flow hedges	1,044,570	-
150.	Financial assets (no equity securities) measured at fair value with an impact on total profitability	24,942	58,691
200.	**Total other income components after tax**	**1,024,689**	**66,155**
210.	**Overall profitability (Item 10 + 200)**	**136,686,795**	**102,420,988**
220.	Consolidated comprehensive income attributable to minorities	58,812,867	39,023,287
230.	**Consolidated comprehensive income attributable to Parent Company**	**77,873,928**	**63,397,701**

Statement of changes in Consolidated Shareholders' Equity

In Euro

Financial year 2025

				Allocation of prior year results		Changes during the year										
						Transactions on shareholders' equity										
	Balance at 12.31.2024	Changes in opening balances	Balance at 1.1.2025	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes of ownership interesrs	Comprehensive income for 2025	Group shareholders' equity at 12.31.2025	Minority interests at 12.31.2025
Share capital:	**663,557,201**		**663,557,201**										**(802,701)**		**573,000,000**	**89,754,500**
a) ordinary shares	663,557,201		663,557,201										(802,701)		573,000,000	89,754,500
b) other shares																
Share premium reserve	**12,404,771**		**12,404,771**												**632,586**	**11,772,185**
Reserves:	**840,916,550**		**840,916,550**	**32,351,108**									**376,701**		**537,294,193**	**336,350,167**
a) retained earnings	571,082,644		571,082,644	32,351,108									1,090,341		497,381,506	107,142,587
b) other	269,833,906		269,833,906.00										(713,639)		39,912,687	229,207,580
Valuation reserves	**253,951**		**253,951**											**1,024,689**	**872,665**	**405,975**
Equity instruments																
Treasury shares																
Net profit (loss) for the period	**102,354,832**		**102,354,832**	**(32,351,108)**	**(70,003,724)**									**135,662,106**	**76,816,788**	**58,845,318**
Shareholders' equity	**1,137,988,997**		**1,137,988,997**		**(27,422,694)**								**176,000**	**77,873,927**	**1,188,616,232**	
Minorities interests	**481,498,308**		**481,498,308**		**(42,581,031)**								**(602,000)**	**58,812,868**		**497,128,145**

Financial year 2024

				Allocation of prior year results		Changes during the year										
							Transactions on shareholders' equity									
	Balance at 12.31.2023	Changes in opening balances	Balance at 1.1.2024	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes of ownership interesrs	Comprehensive income for 2023	Group shareholders' equity at 12.31.2024	Minority interests at 12.31.2024
Share capital:	**664,754,500**		**664,754,500**			**(1,197,299)**									**573,000,000**	**90,557,201**
a) ordinary shares	664,754,500		664,754,500			(1,197,299)									573,000,000	90,557,201
b) other shares																
Share premium reserve	**12,404,771**		**12,404,771**												**632,586**	**11,772,185**
Reserves:	**733,090,688**		**733,090,688**	**106,628,564**		**1,197,299**									**501,194,420**	**339,722,130**
a) retained earnings	463,970,421		463,970,421	106,628,564		483,660									461,281,733	109,800,911
b) other	269,120,267		269,120,267			713,639									39,912,687	229,921,219
Valuation reserves	**187,797**		**187,797**											**66,154**	**(184,474)**	**438,425**
Equity instruments																
Treasury shares																
Net profit (loss) for the period	**106,628,564**		**106,628,564**	**(106,628,564)**										**102,354,832**	**63,346,465**	**39,008,367**
Shareholders' equity	**1,074,418,188**		**1,074,418,188**			**173,111**								**63,397,698**	**1,137,988,997**	
Minorities interests	**442,648,132**		**442,648,132**			**(173,111)**								**39,023,288**		**481,498,308**

Consolidated Cash Flow Statement (indirect method)

In Euro

A. OPERATING ACTIVITIES	Amount 12/31/2025	12/31/2024
1. Liquidity generated from operations	**187,431,503**	**158,567,970**
- net profit for the year (+/-)	135,662,106	102,354,830
- net gains/losses on financial assets held for trading and financial assets designated at fair value through profit or loss (+/-)	10,879	263,323
- gains (losses) from hedging activities (+/-)	29,839	30,287,640
- net adjustments for credit risk (+/-)	16,391,015	61,574,462
- impairment/recoveries to property and equipment and intangible assets (+/-)	55,586,811	43,711,055
- net provisions for risks and charges and other costs/income (+/-)	(38,966,209)	(76,848,377)
- net premiums not collected (-)		
- other income insurance income/expense not collected (-/+)		
- unsettled taxes and tax credit (+/-)	(23,007,157)	2,439,427
- impairment/recoveries to disposal groups net of tax effect (-/+)		
- other adjustments (+/-)	41,724,220	(5,214,390)
2. Liquidity generated/absorbed by financial assets	**(1,862,726,335)**	**(2,019,273,996)**
- financial assets held for trading	(26,623,908)	(32,499,737)
- financial assets designated at fair value through profit and loss		
- financial assets mandatorily designated at fair value		
- financial assets measured at fair value with an impact on total profitability	63,438,415	(1,891,413,409)
- financial assets measured at amortized cost	(1,732,014,810)	(6,658,922)
- other assets	(167,526,032)	(88,701,927)
3. Liquidity generated/absorbed by financial liabilities	**1,823,680,092**	**2,205,678,441**
- financial liabilities measured at amortized cost	1,782,627,932	2,381,820,399
- financial liabilities held for trading	28,236,881	33,525,609
- financial liabilities designated at fair value through profit and loss		
- other liabilities	12,815,279	(209,667,567)
Net Liquidity generated/absorbed by operating activities	**148,385,261**	**344,972,415**
B. INVESTING ACTIVITIES		
1. Liquidity generated by	23,365,016	10,024,268
- sale of equity investments		
- dividends collected on equity investments		
- sale of property and equipment	23,365,016	10,024,268
- sale of intangible assets		
- sale of lines of business		
2. Liquidity absorbed by	**(87,649,033)**	**(146,608,812)**
- purchase of equity investments		
- purchase of property and equipment	(80,024,145)	(140,358,267)
- purchase of intangible assets	(7,624,888)	(6,250,545)
- purchase of lines of business		
Net Liquidity generated/absorbed by investing activities	**(64,284,017)**	**(136,584,543)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares		
- issue/purchase of equity instruments		
- dividends distributed and other allocations	(70,003,722)	
- sale/purchase of minority control	(426,000)	
Net cash generated/absorbed by financing activities	**(70,429,722)**	
NET CASH GENERATED/ABSORBED IN THE YEAR	**13,671,522**	**208,387,872**

Key:

(+) generated

(-) absorbed

Reconciliation

Items	Amount	
	12/31/2025	12/31/2024
Cash and cash equivalents at beginning of year	1,212,135,386	1,003,747,514
Net increase (decrease) in cash and cash equivalents	13,671,522	208,387,872
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at end of year	1,225,806,908	1,212,135,386

Santander

Notes to the Consolidated Financial Statements

Part A – Accounting Policies

A.1 – General Information

Section 1 – Declaration of compliance with International Financial Reporting Standards

The Financial Statements, pursuant to Italian Legislative Decree No. 38 of 28 February 2005, are prepared in accordance with IAS/IFRS accounting standards issued by the *International Accounting Standards Board* (IASB) and the related interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC), as endorsed by the European Commission, as established by EU Regulation No. 1606 of 19 July 2002.

The Financial Statements have been prepared in accordance with Circular No. 262/05 (hereinafter also the "Circular"), as subsequently amended by the 8th update of 17 November 2022 (applied starting from the financial statements for the financial year closed on, or in progress at, 31 December 2023), "The Banking Financial Statements: templates and completion instructions", issued by the Bank of Italy in the exercise of the powers set out in Article 9 of Italian Legislative Decree No. 38/2005, through the Measure of 22 December 2005. These Instructions set out, in a binding manner, the financial statement formats and the related completion rules, as well as the content of the Notes.

In preparing the Financial Statements, the IAS/IFRS standards in force as at the reference date of this document (including the interpretative documents referred to as SIC and IFRIC), as endorsed by the European Commission, have been applied.

Set out below are the amendments to the international accounting standards or the related interpretations, as endorsed by the European Commission, in force as at the reference date of the Financial Statements:

- Lack of Exchangeability: amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates";

Set out below are the significant amendments issued by the IASB, with an effective date after the reference date of the Financial Statements:

– *Mandatorily effective for financial years beginning on or after 1 January 2026:*

- Amendments to the classification and measurement of financial instruments: amendments to IFRS 9 Financial Instruments

  The amendments concern the accounting derecognition of financial liabilities settled through electronic transfers; the classification of financial assets includes amendments relating to contractual terms that change the timing or amount of contractual cash flows, financial assets with without recourse features and investments in multiple contractually linked instruments.

- Contracts related to electricity that is dependent on natural sources: amendments to IFRS 9 and IFRS 7;

– *Mandatorily effective for financial years beginning on or after 1 January 2027:*

- IFRS 18 Presentation and Disclosure in Financial Statements.

  It introduces significant new requirements for financial statement presentation, with a particular focus on the statement of profit or loss, including requirements regarding the mandatory presentation of subtotals and the aggregation and disaggregation of information.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

  Subsidiaries that meet certain eligibility criteria may elect to apply reduced disclosure requirements compared to the disclosure requirements of IFRS Accounting Standards when they comply with the recognition, measurement and presentation requirements of IFRS Accounting Standards.

In view of the scope of the amendments under consideration, no significant impacts have been identified for these Financial Statements.

Section 2 – Basis of preparation

The Financial Statements consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes in Consolidated Shareholder's Equity, the Consolidated Cash Flow Statement and the Notes to the Consolidated Financial Statements and are also accompanied by a Directors' report on the performance of operations, the results achieved and the financial position and cash flows.

In accordance with Article 5 of Italian Legislative Decree No. 38/2005, the Financial Statements are prepared using the Euro as the reporting currency; amounts in the financial statements are expressed in Euro units, while those in the Notes and in the Report on Group Operations are expressed – unless otherwise specified – in thousands of euro.

The Financial Statements are prepared in accordance with the general principles laid down in IAS 1 and the specific accounting standards endorsed by the European Commission described in Part A.2 of these Notes to the financial statements, as well as in compliance with the general assumptions set out in the IASB Conceptual Framework for the preparation and presentation of financial statements.

No exceptions to the application of IAS/IFRS accounting standards have been made.

The Report of Group Operations and the Notes to the Consolidated Financial Statements provide the information required by International Accounting Standards, laws, the Bank of Italy, as well as other non-mandatory information deemed necessary to provide a true and fair view of the Group's situation.

The Consolidated Financial Statements and the Notes to the Consolidated Financial Statements present, in addition to the amounts for the reporting period, the corresponding comparative figures for the previous financial year.

Content of the Consolidated Financial Statements

Consolidated Balance Sheet and Consolidated Income Statement

The formats of the Consolidated Balance Sheet and the Consolidated Income Statement consist of items, sub-items and additional information details (the "of which" lines for items and sub-items).

For completeness, it should be noted that, with reference to the formats defined by the Bank of Italy, items that show no amounts either for the financial year to which the Financial Statements relate or for the previous year are not reported. In the income statement, income is shown without a sign, while expenses are shown in brackets.

Statement of Consolidated Comprehensive Income

The statement of consolidated comprehensive income, starting from profit (loss) for the year, sets out the income components recognised as an offset to valuation reserves, net of the related tax effect, in accordance with international accounting standards.

Comprehensive income is presented by separately highlighting the income components that will not be reclassified to profit or loss in the future and those that, conversely, may be subsequently reclassified to profit (loss) for the year when certain conditions are met.

As for the Consolidated Balance Sheet and the Consolidated Income Statement, with reference to the formats defined by the Bank of Italy, items that show no amounts either for the financial year to which the Financial Statements relate or for the previous year are not reported. In the statement of comprehensive income, income is shown without a sign, while expenses are shown in brackets.

Statement of Changes in Consolidated Shareholder's Equity

The statement of changes in consolidated equity sets out the composition and movements of shareholder's equity accounts during the reporting year and the previous year, broken down between share capital, capital reserves, profit reserves and valuation reserves relating to assets or liabilities, and the profit (loss) for the year.

Consolidated Cash Flow Statement

The cash flow statement for the reporting year and the previous one has been prepared using the indirect method, whereby cash flows from operating activities are represented by profit (loss) for the year adjusted for the effects of non-cash transactions. Cash flows are split between those from operating activities, those generated by investing activities and those arising from funding activities.

In the statement, cash flows generated during the year are shown without a sign, while cash flows used are shown in brackets.

Notes to the Consolidated Financial Statements

The Notes to the Consolidated Financial Statements include the information required by international accounting standards and by Bank of Italy Circular No. 262 issued on 22 December 2005 and subsequent applicable updates for the preparation of these Financial Statements.

For completeness, with respect to the formats defined by the Bank of Italy, the titles of the sections relating to financial statement items that show no balances either for the financial year to which the Financial Statements relate or for the previous year are also reported.

Section 3 – Scope and methods of consolidation

1. Equity investments in subsidiaries

	Head office	Registered Office	Type of relationship (1)	Nature of holding		% of votes (2)
				Parent company	% held	
A. Company						
A.1 Fully Consolidated						
1. Stellantis Financial Services Italia S.p.A.	Turin	Turin	3	Santander Consumer Bank S.p.A.	50%	
2. Stellantis Renting Italia S.p.A.	Trento	Trento	3	Stellantis Financial Services Italia S.p.A.	50%	
3. TIMFin S.p.A.	Turin	Turin	1	Santander Consumer Bank S.p.A.	51%	
4. Santander Consumer Renting S.r.l.		Bolzano	1	Santander Consumer Bank S.p.A.	100%	
5. Drive S.r.l		Bolzano	1	Santander Consumer Bank S.p.A.	100%	

Key
(1) Type of relationship:
1 = majority of voting rights at ordinary shareholders' meeting
2 = significant influence at ordinary shareholders' meetings
3 = agreements with other shareholders
4 = other forms of control
5 = joint management pursuant to art. 26, paragraph 1, of Legislative Decree 87/92
6 = joint management pursuant to art. 26, paragraph 2, of Legislative Decree 87/92
(2) Voting rights at ordinary shareholders' meeting, distinguishing, if applicable, between actual and potential.

2. Significant judgements and assumptions in determining the scope of consolidation

The consolidated financial statements include Santander Consumer Bank S.p.A. and the entities directly or indirectly controlled by it.

Subsidiaries are entities in which Santander Consumer Bank S.p.A. is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control exists only when all of the following elements are present simultaneously:

- power over the relevant activities of the investee;
- exposure, or rights, to variable returns from the involvement with the investee;

- the ability to use power over the investee to affect the amount of its returns.

Specifically, the Group considers the following factors when assessing the existence of control:

- the purpose and structure of the investee, in order to identify the investee's objectives, its relevant activities (i.e., those that most significantly affect its returns) and how those activities are governed;
- power, in order to understand whether the Group has contractual rights that give it the ability to direct the relevant activities;
- exposure to variability in returns from the investee, in order to assess whether the returns received by the Group may potentially vary depending on the results achieved by the investee.

Furthermore, in assessing whether control exists, potential principal–agent relationships are considered; in order to assess whether it acts as a principal or as an agent, the Group considers the following factors:

- decision-making authority over the relevant activities of the investee;
- rights held by other parties;
- the remuneration to which the Group is entitled;
- the Group's exposure to variability in returns arising from any interest held in the investee.

IFRS 10 defines "significant activities" as only those activities that significantly affect the returns of the investee.

In general terms, when relevant activities are directed through voting rights, the following factors provide evidence of control:

- ownership, directly or indirectly through subsidiaries, of more than half of the voting rights of an entity, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half, or less than half, of the voting rights exercisable at shareholders' meetings and the practical ability to unilaterally direct the relevant activities through:
  - control of more than half of the voting rights by virtue of an arrangement with other investors;
  - the power to determine the financial and operating policies of the entity by virtue of its by-laws or a contract;
  - the power to appoint or remove the majority of the members of the board of directors or equivalent governing body;
  - the power to cast the majority of votes at meetings of the board of directors or equivalent governing body.

To have power, the rights held by the Group over the investee must be substantial; to be substantive, such rights must be practically exercisable when decisions about significant activities need to be made. The existence and effect of potential voting rights, when substantial, are considered when assessing whether the Group has the power to direct the financial and operating policies of another entity.

The Group may occasionally have "de facto control" over certain entities when, although it does not hold the majority of voting rights, it holds rights that allow it to direct the relevant activities of the investee in a unilateral manner.

Subsidiaries may also include "structured entities" in which voting rights are not the dominant factor in assessing control, including special purpose entities/vehicles (SPE/SPV) and investment funds. Structured entities are considered subsidiaries when:

- the Group has power through contractual rights that allow it to direct the significant activities;
- the Group is exposed to variable returns arising from those activities.

It should be noted that, for the year under review, control exists over the segregated portfolios underlying the issued securitisation transactions, but not over the related special purpose vehicles.

Overall, no changes in control – and, consequently, in the consolidation perimeter – have been identified.

3. Equity investments in subsidiaries with significant minority interests

3.1 Minority interests, minority voting rights and dividends distributed to holders of minority interests

Company name	Minorities interests %	Minorities votes availability % (1)	Dividends paid to minorities
Stellantis Financial Services Italia S.p.A.	50%	50%	42,581
Stellantis Renting Italia S.p.A.	50%	50%	1,502
TIMFin S.p.A.	49%	49%	-

Key

(1) Available votes during the ordinary meeting

3.2 Equity investments with significant minority interests: accounting information

Company Name	Total Assets	Cash and cash equivalents	Financial assets	Tangible and intangible assets	Financial liabilities	Equity	Interest margin	Net interest and other banking income	Operating expenses	Profit (loss) from continuing operations before tax	Profit (loss) from continuing operations after tax	Profit (loss) from dismissing assets activity after tax	Prof (loss) for the period (1)	Other income elements after tax (2)	Consolidated comprehensive income (3) = (1) + (2)
Stellantis Financial Services Italia S.p.A.	11,016,887	875,958	9,655,126	84,523	9,726,200	918,807	242,952	310,850	(108,894)	168,637	112,207		112,207	(68)	112,140
Stellantis Renting Italia S.p.A.	298,058	30,342	233,615	19	251,854	16,012	10,998	11,460	(4,730)	6,899	4,710		4,710		4,710
TIMFin S.p.A.	462,003	5,852	438,244	660	371,556	66,869	25,671	30,552	(15,853)	5,560	3,854		3,854	3	3,857

4. Significant restrictions

No legal, contractual or regulatory restrictions have been identified that could significantly limit the Parent Company's ability to access the assets or settle the liabilities of the Group.

5. Other information

No financial statements of subsidiaries prepared as of a date different from that of the Parent Company are reported.

<u>Consolidation method</u>

Full consolidation method

Full consolidation consists of the "line-by-line" aggregation of the balance sheet and income statement items of subsidiaries. After attributing to minority interests, under a specific item, their share of equity and profit (loss) for the year, the carrying amount of the investment is eliminated against the corresponding share of the subsidiary's equity. Any differences arising from this elimination, if positive, are recognized, after any allocation to identifiable assets and liabilities of the subsidiary, under Intangible assets as goodwill or as other intangible assets. Negative differences are recognised in profit or loss.

Assets, liabilities, income and expenses between consolidated companies are eliminated in full.

Where necessary, the financial statements of consolidated companies prepared using different accounting policies are adjusted to conform to the Group's accounting policies.

Section 4 – Significant events after the reporting period

Pursuant to IAS 10, it is noted that these Financial Statements were authorised for publication by the Board of Directors on 18 February 2026.

Between the end of the financial year and the date of approval of the draft Financial Statements by the Board of Directors, the merger by absorption of Drive into Santander Consumer Renting took place. The transaction was effective from 1 January 2026 and, for this reason, has no effects on these Financial Statements; for further information, reference is made to the section "Report of Group Operations– Matters of Note". Accordingly, the draft Financial Statements duly reflect the events that affected the Group's operations in the 2025 financial year.

Business continuity disclosure

In accordance with the information provided in Document No. 4 of 3 March 2010 jointly issued by the Bank of Italy, CONSOB and ISVAP, concerning "Information to be provided in financial reports on impairment tests, on contractual clauses of financial liabilities, on debt restructurings and on the fair value hierarchy", which refers to the corresponding Document No. 2 also jointly issued by the three Authorities, the Group has a reasonable expectation of continuing in operational existence for the foreseeable future and has therefore prepared the financial statements on a going concern basis.

More detailed information on the main market issues and variables is provided in the Report of Group Operations.

Section 5 – Other aspects

The Financial Statements are subject to statutory audit by BDO Audit Service S.r.l., pursuant to the resolution of the Shareholders' Meeting of 26 March 2025, which granted the mandate for the nine-year period 2025–2033.

Reclassifications

The Group deemed it appropriate, in alignment with its Spanish Parent Company, to improve the following presentations:

- netting of current tax assets and liabilities pursuant to IAS 12 (with balance sheet restatements only):
- separate presentation of assets held for sale pursuant to IFRS 5 (with balance sheet and profit or loss restatements):
- separate presentation of non-financial services (with profit or loss restatements):

The related details are set out below:

	Item	Financial statements at 2024 approved	Reclass IFRS 5	Reclass IAS 12	Reclass of non-financial services	Financial statements at 2024 reclassified
	Balance sheets - Assets					
110.	Tax assets	180,208,965		(28,813,822)		151,395,143
	a) Current	71,308,055		(28,813,822)		42,494,233
120.	Non-current assets and disposal groups held for sale	-	147,775			147,775
130.	Other assets	458,012,584	(147,775)			457,864,809
	Balance sheets - Liabilities					
60.	Tax liabilities	43,173,119		(28,813,822)		14,359,297
	a) Current	41,405,254		(28,813,822)		12,591,432
	Income statement					
40.	Fee and commission income	243,216,449			(30,761,713)	212,454,736
50.	Fee and commission liabilities	(120,101,910)			7,021,219	(113,080,691)
230.	Other operating income/expenses	30,724,100	813,444		23,740,494	55,278,038
280.	Profit (loss) on disposal of investments	-	(813,444)			(813,444)

A.2 – Main financial statement items

In order to ensure consistency in the preparation criteria of the Financial Statements, the Group has adopted an internal set of rules and policies relating to the various operating and organisational areas.

1 – Financial assets measured at fair value through profit or loss

Classification

This category includes financial assets other than those classified as financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

This item includes, in particular: the positive fair value of derivatives held for trading purposes and equity instruments.

Under the general rules set out in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted except when the entity changes its business model for managing financial assets. In such cases, which are expected to be very infrequent, financial assets may be reclassified from the *fair value* through profit or loss category into one of the other two categories under IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through other comprehensive income). The transfer amount is the *fair value* at the reclassification date and the effects of reclassification are applied prospectively from that date. In this case, the effective interest rate of the reclassified financial asset is determined based on its *fair value* at the reclassification date, and that date is considered as the initial recognition date for allocation to the different stages of credit risk for impairment purposes.

Recognition

Financial assets are initially recognised on the trade date for derivative contracts and on the settlement date for equity instruments. On initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or proceeds directly attributable to the instrument.

Measurement

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are carried at *fair value*. The effects of applying this measurement criterion are recognised in the Income Statement. In the absence of an active market, fair value is determined using commonly adopted valuation techniques and models that take into account all risk factors related to the instruments and are based on observable market data.

Derecognition

Financial assets are derecognised only if the transfer results in the substantial transfer of all risks and rewards related to the assets. Conversely, if a significant portion of the risks and rewards related to the transferred financial assets is retained, such assets continue to be recognised, even if legal title has been transferred.

Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised if no control over them has been retained. Otherwise, retaining control, even partially, results in the assets remaining recognised to the extent of the continuing involvement, measured by exposure to changes in the value of the transferred assets and to variations in their cash flows.

Finally, transferred financial assets are derecognised where the contractual rights to receive the related cash flows are retained together with the assumption of an obligation to pay those cash flows, and only those cash flows, to third parties without significant delay.

2 – Financial assets measured at fair value through other comprehensive income

Classification

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling the assets (business model "Hold to Collect and Sell"), and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., the "SPPI test" is passed).

In particular, this item includes debt securities and wholesale loans of Stellantis Financial Services Italia that fall within a Hold to Collect and Sell business model and that have passed the SPPI test.

Under the general rules set out in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted except when the entity changes its business model for managing financial assets. In such cases, which are expected to be very infrequent, financial assets may be reclassified from the fair value through other comprehensive income category into one of the other two categories under IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit or loss). The transfer amount is the fair value at the reclassification date and the effects of reclassification are applied prospectively from that date. In the case of reclassification from this category to amortised cost, the cumulative gain (loss) recognised in the valuation reserve is used to adjust the fair value of the financial asset at the reclassification date. Conversely, in the case of reclassification to the fair value through profit or loss category, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from equity to profit (loss) for the year.

Recognition

Financial assets are initially recognised on the settlement date for debt securities. On initial recognition, the assets are measured at fair value, including transaction costs or proceeds directly attributable to the instrument.

Measurement

Subsequent to initial recognition, assets classified at fair value through other comprehensive income are measured at fair value, with the recognition in profit or loss of impairment losses, interest, foreign exchange gains/losses and the related valuations. The valuation reserve accounts for the remaining changes in fair value, net of the related tax effect.

Fair value is determined on the basis of the criteria already described for financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income are subject to the assessment of significant increase in credit risk (impairment) required by IFRS 9.

Derecognition

Financial assets are derecognised only if the transfer results in the substantial transfer of all risks and rewards related to the assets. Conversely, if a significant portion of the risks and rewards related to the transferred financial assets is retained, such assets continue to be recognised, even if legal title has been transferred.

Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised if no control over them has been retained. Otherwise, retaining control, even partially, results in the assets remaining recognised to the extent of the continuing involvement, measured by exposure to changes in the value of the transferred assets and to variations in their cash flows.

Finally, transferred financial assets are derecognised where the contractual rights to receive the related cash flows are retained together with the assumption of an obligation to pay those cash flows, and only those cash flows, to third parties without significant delay.

3 – Financial assets measured at amortised cost

Classification

This category includes financial assets (in particular loans and debt securities) that meet both of the following conditions:

- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows (business model "Hold to Collect"), and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., the "SPPI test" is passed).

More specifically, the following are recognised under this item:

- loans and advances to banks (not classified under "Cash and cash equivalents") in the various technical forms that meet the above requirements;
- loans and advances to customers in the various technical forms that meet the above requirements;
- debt securities that meet the above requirements.

Under the general rules set out in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted except when the entity changes its business model for managing financial assets. In such cases, which are expected to be very infrequent, financial assets may be reclassified from the amortised cost category into one of the other two categories under IFRS 9 (Financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss). The transfer amount is the fair value at the reclassification date and the effects of reclassification are applied prospectively from that date. Gains or losses arising from the difference between the amortised cost of the financial asset and its fair value are recognised in profit or loss in the case of reclassification to the fair value through profit or loss category and in equity, in the specific valuation reserve, in the case of reclassification to the fair value through other comprehensive income category.

Recognition

Financial assets are initially recognised on the settlement date for debt securities and on the disbursement date in the case of loans. On initial recognition, the assets are measured at fair value, including transaction costs or proceeds directly attributable to the instrument.

In particular, as regards loans, the disbursement date normally coincides with the contract signing date. The loan is recognised on the basis of its fair value, equal to the amount disbursed (or subscription price), including costs/income directly attributable to the individual loan and determinable at the origination of the transaction, even if settled at a later date. Costs that, although having the above characteristics, are reimbursed by the borrower are excluded.

Repurchase agreements with an obligation to repurchase or resell at a forward date are recognised in the Financial Statements as funding or lending transactions. In particular, spot sale and forward repurchase transactions are recognised as liabilities for the amount received on the spot leg, while spot purchase and forward resale transactions are recognised as receivables for the amount paid on the spot leg.

Measurement

Subsequent to initial recognition, the financial assets concerned are measured at amortised cost using the effective interest rate method. Under this method, the asset is recognised in the Financial Statements at an amount equal to the initial recognition amount less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method) of the difference between that initial amount and the amount at maturity (typically attributable to costs/income directly attributable to the individual asset), and adjusted for any loss allowance. The effective interest rate is calculated as the rate that exactly discounts the future cash flows of the asset (principal and interest) to the disbursed amount including the costs/income attributable to the financial asset. This accounting method, based on a financial logic, allows the economic effect of costs/income directly attributable to a financial asset to be spread over its expected remaining life.

The amortised cost method is not used for assets—carried at historical cost—whose short duration makes the impact of discounting negligible, and for those with no defined maturity. These instruments are nevertheless measured in accordance with the three-stage model required by IFRS 9, as is the remainder of financial assets measured at amortised cost.

With reference to the accounting presentation of the above measurement effects, value adjustments relating to this type of asset are recognised in the Income Statement:

- on initial recognition, for an amount equal to the expected loss over the next twelve months;
- on subsequent measurement of the asset, where credit risk has not increased significantly since initial recognition, in relation to changes in the amount of value adjustments for expected losses over the next twelve months;
- on subsequent measurement of the asset, where credit risk has increased significantly since initial recognition, in relation to the recognition of value adjustments for expected losses over the entire remaining contractual life of the asset;
- on subsequent measurement of the asset, where—after a significant increase in credit risk since initial recognition—the "significance" of such increase subsequently ceases, in relation to the adjustment of cumulative value adjustments to reflect the transition from lifetime expected losses to twelve-month expected losses.

Performing financial assets are subject to an assessment aimed at determining the value adjustments to be recognised in the Financial Statements, at the level of each individual credit exposure, based on the risk parameters probability of default (PD), loss given default (LGD) and exposure at default (EAD) required by IFRS 9.

If, in addition to a significant increase in credit risk, there is objective evidence of an impairment loss, the amount of the loss is measured as the difference between the carrying amount of the asset—classified as "credit-impaired", as are all other exposures to the same counterparty—and the present value of estimated future cash flows discounted at the original effective interest rate. The amount of the loss, recognised in profit or loss, is determined through an individual assessment process or determined for homogeneous categories and then allocated to each position, and takes into account forward-looking information and possible alternative recovery scenarios. Credit-impaired assets include financial instruments assigned the status of bad loans, unlikely-to-pay or past due/overdrawn for more than ninety days under Bank of Italy rules, consistent with IAS/IFRS and European supervisory regulations. Expected cash flows take into account expected recovery times and the presumed realisable value of any collateral. The original effective rate of each asset remains unchanged over time, even if the exposure has been restructured resulting in a change in the contractual rate and even if, in practice, the exposure becomes non-interest-bearing as regards contractual interest.

Where the reasons for the impairment loss are removed following an event occurring after the recognition of the impairment, reversals are recognised in profit or loss. The reversal cannot exceed the amortised cost that the financial instrument would have had in the absence of previous impairment. Reversals connected with the passage of time are recognised in net interest income.

In some cases, during the life of the financial assets concerned, and in particular loans, the original contractual terms may subsequently be modified by agreement between the parties. When the contractual clauses of an instrument are modified during its life, it is necessary to assess whether the original asset should continue to be recognised or whether, conversely, the original instrument should be derecognised and a new financial instrument recognised. In general, modifications of a financial asset lead to derecognition and recognition of a new asset when they are "substantial". The assessment of whether a modification is "substantial" must consider both qualitative and quantitative factors. In some cases, it may be clear, without complex analyses, that the changes introduced substantially modify the characteristics and/or contractual cash flows of a given asset; in other cases, further analyses (including quantitative analyses) are required to assess their effects and determine whether derecognition and recognition of a new financial instrument are necessary. Accordingly, the (qualitative and quantitative) analyses aimed at determining the "substantiality" of the contractual modifications made to a financial asset should consider:

- the purposes for which the modifications were made: for example, renegotiations for commercial reasons and concessions due to the counterparty's financial difficulties:
  - the former, aimed at "retaining" the customer, involve a debtor that is not in a situation of financial difficulty. This includes all renegotiation transactions intended to align the cost of the debt with market conditions. These transactions entail a change in the original terms of the contract, usually requested by the debtor, relating to aspects connected with the cost of the debt, with a consequent economic benefit for the debtor. In general, it is considered that whenever the bank renegotiates in order to avoid losing a customer, such renegotiation should be deemed substantial because, if it were not carried out, the customer could obtain financing from another intermediary and the bank would suffer a decrease in expected future revenues;

- the latter, carried out for "credit risk reasons" (forbearance measures), are attributable to the bank's attempt to maximise the recovery of cash flows from the original loan. After the modifications, the underlying risks and rewards are generally not substantially transferred and, consequently, the accounting treatment that provides more relevant information to the reader of the financial statements (without prejudice to what will be said below regarding objective evidence) is "modification accounting", which requires recognising in profit or loss the difference between the carrying amount and the present value of modified cash flows discounted at the original interest rate, rather than derecognition;

- the presence of specific objective evidence affecting the characteristics and/or contractual cash flows of the financial instrument which is considered to require derecognition in view of its (expected) significant impact on the original contractual cash flows.

For further details on how expected losses are determined, in application of IFRS 9, as well as on the determination and management of post model adjustments/management overlays to the model, please refer to the Notes to the Consolidated Financial Statements, Part E – Credit risk.

Derecognition

Financial assets are derecognised only if the transfer results in the substantial transfer of all risks and rewards related to the assets. Conversely, if a significant portion of the risks and rewards related to the transferred financial assets is retained, such assets continue to be recognised, even if legal title has been transferred.

Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised if no control over them has been retained. Otherwise, retaining control, even partially, results in the assets remaining recognised to the extent of the continuing involvement, measured by exposure to changes in the value of the transferred assets and to variations in their cash flows.

Finally, transferred financial assets are derecognised where the contractual rights to receive the related cash flows are retained together with the assumption of an obligation to pay those cash flows, and only those cash flows, to third parties without significant delay.

Purchase or Originated Credit Impaired

Pursuant to IFRS 9, a financial asset is considered credit-impaired at initial recognition when credit risk is very high and, in the case of purchase, it is acquired at a significant discount to the remaining contractual principal. If, based on the application of the classification drivers (SPPI test and Business Model), the financial assets concerned are classified as assets measured at amortised cost or at fair value through other comprehensive income, they are classified as "Purchased or Originated Credit Impaired Asset" (POCI) and are subject to a specific impairment treatment. For such exposures, IFRS 9 provides that:

- initial recognition shall be at fair value;
- the expected credit loss estimate shall always be measured as lifetime expected losses over the entire life of the financial instrument;
- interest income recognised for accounting purposes shall be determined by applying the "credit-adjusted effective interest rate" (the "EIR Credit Adjusted"), i.e., the rate that, at initial recognition, discounts all estimated future cash receipts to the amortised cost of the asset, taking into account, in the estimate, the expected credit losses as well.

4 – Hedging transactions

Classification

Risk hedging transactions are aimed at neutralising potential losses attributable to a specific risk and recognisable on a specific item or group of items, should that specific risk actually materialise.

The types of hedges used are:

- – fair value hedges, which aim to hedge exposure to changes in fair value (attributable to various types of risk) of assets and liabilities recognised in the financial statements, or portions thereof, or of groups of assets/liabilities, as permitted by IAS 39 as endorsed by the European Commission. General fair value hedges ("macro hedges") aim to reduce fluctuations in fair value attributable to interest rate risk of a monetary amount arising from a portfolio of financial assets or liabilities;
- – cash flow hedges, which aim to hedge exposure to variability in future cash flows attributable to particular risks associated with balance sheet items. This type of hedge is used mainly to stabilise the interest cash flows of floating-rate funding to the extent that it finances fixed-rate lending.

Recognition

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at *fair value*.

A relationship qualifies as a hedge, and is accounted for accordingly, only if all of the following conditions are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship, the entity's risk management objective and strategy for undertaking the hedge. Such documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the hedged risk and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in fair value of the hedged item or the cash flows attributable to the hedged risk;
- the hedge is expected to be highly effective;
- the forecast transaction that is the subject of the hedge, for cash flow hedges, is highly probable and presents exposure to variability in cash flows that could affect the Income Statement;
- hedge effectiveness can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective for all reporting periods for which the hedge was designated.

Measurement

Hedging derivatives are measured at fair value.

In the case of:

- macro fair value hedges ("macro hedge"), changes in fair value, with reference to the hedged risk, of hedged assets and liabilities are recognised in the Balance Sheet, respectively, under item 60 "Value adjustment of financial assets subject to macro hedging" or item 50 "Value adjustment of financial liabilities subject to macro hedging";
- cash flow hedges, changes in fair value of the derivative are recognised in equity, for the effective portion of the hedge, and are recognised in profit or loss only when, with reference to the hedged item, the variability in cash flows to be offset arises or if the hedge is ineffective.

Hedge effectiveness depends on the extent to which changes in fair value of the hedged item or in the related expected cash flows are offset by those of the hedging instrument. Accordingly, effectiveness is assessed by comparing such changes, taking into account the entity's intent when the hedge was established. Effectiveness exists when changes in fair value (or cash flows) of the hedging financial instrument offset almost entirely—i.e., within the limits set by the 80%–125% range—the changes in the hedged item for the hedged risk component.

Effectiveness is assessed at each year-end or interim reporting date using:

- prospective tests, which support the application of hedge accounting because they demonstrate expected effectiveness;
- retrospective tests, which show the level of hedge effectiveness achieved in the period concerned, i.e., measure how far actual results have departed from perfect hedging.

Derecognition

Fair value hedge accounting is discontinued prospectively in the following cases:

- the hedging instrument expires, is sold, terminated or exercised;
- the hedge no longer meets the hedge accounting criteria described above;
- the entity revokes the designation.

If the tests do not confirm hedge effectiveness, hedge accounting is discontinued from that moment; the hedging derivative contract is reclassified to trading instruments and the hedged financial instrument resumes the measurement criterion corresponding to its balance sheet classification. In the case of discontinuation of a macro fair value hedging relationship, cumulative fair value increases/decreases recognised under item 60 "Value adjustment of financial assets subject to macro hedging" or item 50 "Value adjustment of financial liabilities subject to macro hedging" are recognised in profit or loss, among interest income or interest expense, over the residual term of the original hedging relationships, subject to verifying that the relevant conditions are met.

5 – Equity investments

No equity investment remains recognised in the financial statements after completion of the consolidation procedures. The carrying amount of equity investments in subsidiaries has been adjusted by replacing it with the related assets, liabilities and equity items, under the full consolidation method.

6 – Property, plant and equipment

Classification

Property and equipment include instrumental properties, cars, technical systems, furniture and fixtures, as well as equipment of any kind that is expected to be used for more than one period. Property, plant and equipment held for use in the production or supply of goods and services are classified as "assets used for business purposes" in accordance with IAS 16.

They include right-of-use assets acquired under leases relating to the use of an item of property and equipment (for lessee entities) and assets leased out under operating leases (for lessor entities).

Recognition

Property and equipment are initially recognised at cost, which includes, in addition to the purchase price, any directly attributable costs necessary to acquire and bring the asset into use.

Major maintenance expenditure that increases future economic benefits is capitalised by increasing the carrying amount of the asset, while other routine maintenance costs are recognised in profit or loss.

Measurement

Property, plant and equipment are measured at cost, net of accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated systematically on a straight-line basis over their useful lives. The depreciable amount is the cost of the assets net of residual value at the end of the depreciation period, if significant.

If there is an indication that an item of property and equipment measured at cost may have suffered an impairment loss, the carrying amount is compared with its recoverable amount. Any adjustments are recognised in profit or loss. If the reasons that led to recognition of the impairment loss cease, a reversal is recognised, which cannot exceed the amount the asset would have had, net of depreciation, in the absence of prior impairment losses.

Property, plant and equipment represented by the right-of-use of assets under lease contracts

Pursuant to IFRS 16, a "lease" is a contract, or part of a contract, that, in exchange for consideration, conveys the right to use an asset (the underlying asset) for a period of time. Under IFRS 16, leases are accounted for using the right-of-use model, whereby, at the commencement date, the lessee has a financial obligation to make lease payments due to the lessor in exchange for the right to use the underlying asset over the lease term. When the asset is made available for the lessee's use (commencement date), the lessee recognises both the lease liability and the right-of-use asset.

In particular, the right-of-use asset acquired under a lease is recognised as the sum of the present value of future lease payments to be made over the contractual term adjusted for estimates of renewal and termination options, lease payments made at or before the commencement date, any lease incentives received, initial direct costs and any estimated costs for dismantling or restoring the underlying leased asset.

The lease liability recognised corresponds to the present value of lease payments due.

With regard to the discount rate, based on IFRS 16 requirements, the Group uses, for each lease contract, the interest rate implicit in the lease, where available. For leases from the lessee's perspective, in some cases, for example for rental contracts, the implicit interest rate cannot always be readily determined without using estimates and assumptions (the lessee does not have sufficient information on the unguaranteed residual value of the leased asset). In these cases, the Group developed a methodology to determine the incremental borrowing rate as an alternative to the implicit interest rate and decided to use the internal transfer pricing rate for funding. This is an unsecured, amortising yield curve, given that the lease contract provides for lease payments, typically constant, over the lease term rather than a single payment at maturity. This rate reflects the lease term as well as the economic environment in which the transaction occurs and is therefore consistent with the requirements of the standard.

The lease term is determined taking into account:

- periods covered by an option to extend the lease, when it is reasonably certain that the option will be exercised;
- periods covered by an option to terminate the lease, when it is reasonably certain that the option will be exercised.

Over the lease term, the lessee must:

- measure the right-of-use asset at cost, net of accumulated depreciation and accumulated impairment losses determined and recognised in accordance with IAS 36 "Impairment of Assets", adjusted to reflect any remeasurements of the lease liability;
- increase the lease liability arising from the lease transaction for the accrual of interest expense calculated at the lease's implicit interest rate or, alternatively, at the incremental borrowing rate, and reduce it for payments of principal and interest.

If lease payments change, the liability must be remeasured; the impact of the remeasurement is recognised as an adjustment to the right-of-use asset.

Finally, it should be noted that the Group applies the exemptions permitted by IFRS 16 for short-term leases (i.e., a term of 12 months or less) and leases of low-value assets (i.e., a value of EUR 5,000 or less).

Derecognition

An item of property, plant and equipment is removed from the Balance Sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

7 – Intangible assets

Classification

Intangible assets include other intangible assets, consisting mainly of finite useful life rights such as acquired trademarks and *software*.

Intangible assets are recognised as such when they are identifiable and arise from legal or contractual rights.

Recognition

Intangible assets are recognised at cost, adjusted for any directly attributable costs, only if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in profit or loss in the year in which it is incurred.

Measurement

For assets with a finite useful life, cost is amortised on a straight-line basis over the period in which the expected economic benefits from the asset are consumed.

If there is an indication that an asset may be impaired, the recoverable amount of the asset is estimated. The impairment loss, recognised in profit or loss, equals the difference between the carrying amount of the asset and its recoverable amount.

Derecognition

An intangible asset is removed from the Balance Sheet on disposal or when no future economic benefits are expected.

8 – Non-current assets held for sale and discontinued operations

Classification

This item includes non-current assets or groups of assets/liabilities for which a disposal process has been initiated and whose sale is highly probable. More specifically, this includes lease assets for which repossession has occurred following early termination or the expiry of the contractual term.

Recognition

The assets are recognised when full availability of the asset is established.

Measurement

These assets/liabilities are measured at the lower of their carrying amount and fair value less costs to sell, except for certain types of assets (e.g., financial assets within the scope of IFRS 9) for which IFRS 5 specifically requires the application of the measurement criteria of the relevant accounting standard.

Assets that, under IAS/IFRS accounting standards, are subject to periodic depreciation cease to be depreciated when classified as assets (or groups of assets) held for sale.

Portfolios of assets for which there are no quoted prices in an active market may be included among non-current assets and discontinued operations. In such cases, they are measured at fair value by reference, where an agreement has been reached with the buyer counterparty, to the disposal prices resulting from that agreement; in the absence of an agreement, by applying specific valuation techniques depending on the asset and, where appropriate, by obtaining external fairness opinions.

Income and expenses attributable to disposal groups held for sale or recognised as such during the year are presented in the Income Statement under "Gains (Losses) on disposal of investments".

Derecognition

These assets are removed from the Balance Sheet upon actual disposal, normally within one year of their recognition.

9 – Current and deferred taxation

Income taxes, calculated in compliance with national tax laws, are recognised as an expense on an accrual basis, consistently with the recognition of the costs and income that gave rise to them. They therefore represent the net balance of current and deferred taxation relating to profit for the year.

Current tax assets and liabilities comprise the net balance of the positions of Group companies vis-à-vis the Italian tax authorities in relation to direct taxation. In particular, these items include the net balance between tax liabilities for prior years and for the current year, calculated on the basis of a prudent estimate of the tax charge due for the year determined under the tax rules in force, and current tax assets represented by tax advances, withholding taxes suffered or other tax credits. The risk inherent in such procedures - as with risks inherent in procedures that have not required provisional payments—is assessed in accordance with IAS 37, based on the probability of an outflow of economic resources to settle them.

In view of the adoption of the Italian national tax consolidation regime by the Group, the tax positions relating to Group companies are managed separately from an administrative perspective.

Deferred taxation is determined using the so-called balance sheet liability method, taking into account the tax effects of temporary differences between the carrying amount of assets and liabilities and their tax base that will result in taxable or deductible amounts in future periods. For these purposes, "taxable temporary differences" are those that will result in taxable amounts in future periods, and "deductible temporary differences" are those that will result in deductible amounts in future periods.

Deferred taxation is calculated by applying the tax rates established by the laws in force to taxable temporary differences for which an actual tax payment is probable and to deductible temporary differences for which there is reasonable certainty that taxable amounts will be available in the future when the related deductibility arises (probability test). Deferred tax assets and liabilities relating to the same tax and due in the same period are offset.

Where deferred tax assets and liabilities relate to items recognised in profit or loss, the counterpart is income taxes.

Where deferred tax assets and liabilities relate to transactions recognised directly in equity without affecting profit or loss (such as first-time adoption adjustments of IAS/IFRS or the valuation of financial instruments measured at fair value through other comprehensive income), they are recognised as an offset to equity, affecting the relevant reserves where required (e.g., valuation reserves). Deferred taxation relating to companies included in the tax consolidation is recognised in their financial statements on an accrual basis, taking into account that the effect of tax consolidation is limited to the settlement of current tax positions. Deferred taxes on equity components of consolidated companies are not recognised where it is not considered probable that the conditions for taxation will occur, also in relation to the long-term nature of the investment.

10 – Provisions for risks and charges

Provisions for risks and charges relating to commitments and guarantees issued

This sub-item includes credit risk provisions recognised for commitments to provide funds and for guarantees issued that fall within the scope of the impairment requirements under IFRS 9. In principle, the same allocation methods among the three stages (credit risk stages) and the same expected loss calculation methods described for financial assets measured at amortised cost or at fair value through other comprehensive income are applied.

Pension funds and other provisions

Pension funds and other provisions for risks and charges include provisions for legal obligations or obligations related to employment relationships or disputes, including tax litigation, originating from a past event, for which an outflow of economic resources is probable in order to settle the obligation, provided that a reliable estimate of the amount can be made.

Accordingly, a provision is recognised if and only if:

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

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the reporting date and reflects risks and uncertainties that inevitably characterise a multitude of events and circumstances.

The provision is recognised in the Income Statement. The provision is reversed when it becomes improbable that an outflow of resources embodying economic benefits will be required to settle the obligation, or when the obligation is extinguished.

11 – Financial liabilities measured at amortised cost

Classification

Deposits from banks, Deposits from customers and Debt securities issued include the various forms of interbank and customer funding. They also include liabilities recognised by the entity as a lessee in lease transactions.

Recognition

These financial liabilities are initially recognised on the contract date, which normally coincides with the receipt of the funds raised or the issuance of debt securities.

Initial recognition is based on the *fair value* of the liabilities, normally equal to the amount received or the issue price, increased by any incremental costs/income directly attributable to the individual funding or issuance transaction. Internal administrative costs are excluded.

Lease payables are recognised at the present value of future lease payments, discounted using the rate referred to in the lease section.

Measurement

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

Short-term liabilities are an exception, where the time value effect is negligible; these remain recognised at the amount received.

Lease payables are remeasured when there is a lease modification (e.g., a change in the contract that is not accounted for/considered as a separate contract); the effect of the remeasurement is recognised as an adjustment to the right-of-use asset.

Derecognition

Financial liabilities are derecognised when they have matured or have been extinguished.

12 – Financial liabilities held for trading

Recognition and classification

The financial instruments concerned are recognised on the subscription date or the issue date at an amount equal to the *fair value* of the instrument, without considering any transaction costs or proceeds directly attributable to the instruments.

This category of liabilities includes, in particular, trading derivatives with a negative *fair value*.

Measurement

All trading liabilities are measured at *fair value*, with the valuation result recognised in income statement.

Derecognition

These liabilities are derecognised upon expiry of the contractual rights to the related cash flows or when the financial liability is transferred with the substantial transfer of all risks and rewards arising from ownership thereof.

13 – Financial liabilities designated at fair value

The Group has no financial liabilities designated at fair value.

14 – Foreign currency transactions

The Group has no foreign currency transactions.

15 – Insurance assets and liabilities

The Group has not recognised insurance assets and liabilities.

16 – Other information

Cash and cash equivalents

The item "Cash and cash equivalents" mainly includes current accounts and "on demand" deposits with central banks, excluding the compulsory reserve, as well as "on demand" receivables (current accounts and on demand deposits) from banks. "On demand" receivables are amounts that can be withdrawn by the creditor at any time without notice or with notice of 24 hours or one business day. "On demand" receivables also include those with a contractual maturity constraint of 24 hours or one business day. These components are measured according to the general principle of estimated realisable value, which normally coincides with nominal value. These assets are derecognised upon expiry of the contractual rights, where applicable, to the related cash flows.

Treasury shares

No treasury shares are held that should be deducted from shareholder's equity.

Share-based payments

The Group has no share-based payments.

Accruals and deferrals

Accruals and deferrals, which include expenses and income accrued during the period on assets and liabilities, are recognised in the financial statements as adjustments to the related assets and liabilities.

Leasehold improvement expenditure

The restructuring costs for properties not owned are capitalised on the grounds that, for the duration of the lease contract, the user company controls the assets and can derive future economic benefits from them. Such costs, classified under Other assets and under property, plant and equipment (where the relevant legal conditions are met), are depreciated over a period not exceeding the term of the lease contract.

Staff severance indemnity (TFR)

The staff severance indemnity is classified as a "post-employment benefit" and has been limited by the entry into force of the reform introduced by Italian Law No. 296/2006 (2007 Budget Law) on supplementary pension schemes.

For discounting purposes, the rate used is determined by reference to the market yield, taking into account the weighted average remaining duration of the liability, weighted by the percentage of the amount paid and advanced, for each maturity, relative to the total amount to be paid and advanced until final settlement of the obligation. Plan service costs are accounted in personnel expenses, while actuarial gains and losses are recognised in the statement of comprehensive income.

Revenue and cost recognition

Revenues represent gross inflows of economic benefits arising from the ordinary activities of the entity and are recognised when control of goods or services is transferred to the customer, at an amount that represents the consideration to which the entity expects to be entitled. In particular, revenue recognition is based on the application of a model that must meet the following criteria:

- identification of the contract, defined as an agreement in which the parties have committed to fulfil their respective obligations;
- identification of the distinct performance obligations contained in the contract;
- determination of the transaction price, i.e., the consideration expected in exchange for transferring goods or services to the customer;
- allocation of the transaction price to each performance obligation on the basis of the stand-alone selling prices of the individual obligation;
- recognition of revenue when (or as) the performance obligation is satisfied by transferring the promised good or service to the customer.

The transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods and services to the customer. It may include fixed amounts, variable amounts, or both. Revenue arising from variable consideration is recognised in income statement when it can be reliably estimated and only if it is highly probable that such consideration will not be reversed, in whole or in a significant portion, in subsequent periods. Where uncertainty factors prevail due to the nature of the consideration, the consideration is recognised only when such uncertainty is resolved.

Revenues may be recognised:

- at a point in time, when the entity satisfies the performance obligation by transferring the promised good or service to the customer, or
- over time, as the entity satisfies the performance obligation by transferring the promised good or service to the customer.

The good is transferred when, or over the period in which, the customer obtains control of it.

Specifically:

- interest income is recognised on a pro-rata temporis basis using the contractual interest rate or the effective interest rate when amortised cost is applied. The item interest income (or interest expense) also includes differentials or margins, positive (or negative), accrued up to the reporting date, relating to financial derivative contracts:

- di copertura di attività e passività che generano interessi;
- managed in connection with assets and liabilities classified in the trading portfolio and providing for the settlement of differentials or margins at multiple maturities;

- default interest, where contractually provided for, is recognised in the Income Statement only when actually collected;
- dividends are recognised in the Income Statement when their distribution is approved, unless that date is known or the information is not immediately available, in which case recognition at collection is permitted;
- fee and commission income from services is recognised, based on the existence of contractual arrangements, in the period in which the services are rendered. Fees included in amortised cost for the purpose of determining the effective interest rate are recognised as interest;
- gains and losses arising from trading in financial instruments are recognised in the Income Statement upon completion of the sale, based on the difference between the consideration paid or received and the carrying amount of the instruments;
- income from the sale of non-financial assets is recognised upon completion of the sale, i.e., when the performance obligation towards the customer has been satisfied.

Expenses are recognised in the Income Statement on an accrual basis; costs related to obtaining and fulfilling customer contracts are recognised in profit or loss in the periods in which the related revenues are recorded.

Method for determining amortised cost

The amortised cost of a financial asset or liability is the amount at which the financial asset or financial liability was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation, calculated using the effective interest method, of any difference between the initial value and the value at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the present value of a financial asset or liability to the contractual stream of future cash payments or receipts through maturity or the next repricing date. To calculate present value, the effective interest rate is applied to future cash receipts or payments over the entire expected life of the financial asset or liability, or for a shorter period when certain conditions exist (for example, changes in market interest rates).

Subsequent to initial recognition, amortised cost allows income and costs that decrease or increase the instrument to be allocated over its expected life through the amortisation process. The determination of amortised cost differs depending on whether the financial assets/liabilities being measured bear fixed or floating interest and—in the latter case—depending on whether the variability of the rate is known in advance. For fixed-rate instruments, or instruments with fixed rates for time bands, future cash flows are determined on the basis of the known interest rate (single or stepped) over the life of the financing. For floating-rate financial assets/liabilities whose variability is not known in advance (for example because it is linked to an index), cash flows are determined using the last known rate. At each interest rate reset date, the amortisation schedule and the effective yield rate over the entire remaining life of the instrument, i.e., up to maturity, are recalculated. The adjustment is recognised as income or expense in profit or loss.

Amortised cost measurement is applied to financial assets measured at amortised cost and to those measured at fair value through other comprehensive income, as well as to financial liabilities measured at amortised cost.

Financial assets and liabilities transacted at market conditions are initially recognised at fair value, which normally corresponds to the amount disbursed or paid, including, for instruments measured at amortised cost, transaction costs and directly attributable fees. Transaction costs are incremental internal or external costs/income attributable to the issue, acquisition or disposal of a financial instrument and not rechargeable to the customer. Such fees, which must be directly attributable to the individual financial asset or liability, affect the original effective yield and make the effective interest rate associated with the transaction different from the contractual interest rate. Costs/income relating indistinctly to multiple transactions and components related to events that may occur during the life of the financial instrument but are not certain at initial recognition are excluded, such as: retrocession fees, commitment fees, early repayment fees. Furthermore, costs that the entity would incur regardless of the transaction are not included in the amortised cost calculation, nor are costs that, while specifically attributable to the transaction, fall within normal loan servicing practice. With particular reference to loans, costs attributable to the financial instrument include commissions paid to distribution channels and direct insurance policies; income included in the amortised cost calculation includes up-front fees.

For issued securities, the amortised cost calculation includes bond placement fees paid to third parties and structuring activities, while recurring maintenance fees are not included in amortised cost.

Use of estimates and assumptions in preparing financial information

The preparation of financial information also requires the use of estimates and assumptions that may have a significant effect on the amounts recognised in the Balance Sheet and Income Statement, as well as on disclosures relating to contingent assets and liabilities reported in the financial statements. The preparation of these estimates involves using available information and making subjective judgements, also based on historical experience, to formulate reasonable assumptions for recognising operating events. By their nature, estimates and assumptions may vary from one financial year to another and, therefore, it cannot be ruled out that in subsequent years the amounts recognised in the financial statements may change, even significantly, as a result of changes in the subjective judgements used.

The main areas for which management's subjective judgement is most required are:

- measurement of impairment losses on loans and other financial assets;
- use of valuation models to measure the fair value of financial instruments not quoted in active markets;
- assessment of the reasonableness of the carrying amount of other intangible assets;
- measurement of personnel benefit provisions and provisions for risks and charges;
- estimates and assumptions regarding the recoverability of deferred tax assets.

A.3 – Disclosure on transfers between portfolios of financial assets

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

The Group did not reclassify financial assets during the year.

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

The Group did not reclassify financial assets during the year.

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

The Group did not transfer portfolios between the different categories of financial assets during the year.

A.4 – Fair value disclosure

Qualitative information

The Group governs and formalises fair value measurement through internal policies overseen by the Market Risk Dpt..

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is operating as a going concern with no intention of liquidating its assets, significantly reducing the scale of its operations or engaging in transactions on unfavourable terms. For this reason, the fair value of an asset or liability is based on the assumption that market participants act to best satisfy their own economic interests, therefore giving priority to the principal active markets, or, in their absence, to the most advantageous secondary active market.

Accordingly, the Group may use the following valuation models:

- market valuation method (use of market prices for similar assets, liabilities or equity instruments held as assets by other market participants);
- cost method (i.e., the replacement cost that would be required currently to replace the service capacity of an asset);
- income method (discounted cash flow technique based on future cash flows expected by a market counterparty holding a liability or an equity instrument as an asset).

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

The valuation techniques adopted by the Group are as follows:

Items	Assessment	Level*
ASSET		
Debt securities	**Market price**	**1**
Equities	**Cost**	**3**
Loans**		
- on demand (< 3 Month)	Cost	2-3
- to maturity (>3 Month)	Discounted valute at tax risk free + risk spread	2-3
- impaired	Discounted valute at tax risk free + risk spread according to historical recovery curves	3
LIABILITIES		
Debt securities issued	**Discounted valute at tax risk free + risk spread**	**2-3**
Deposit **		
- on demand (< 3 Month)	Cost	2-3
- to maturity (>3 Month)	Discounted valute at tax risk free + risk spread	2-3
OTHER ASSET AND LIABILITIES		
- on demand (< 3 Month)	Cost	2-3
- to maturity (>3 Month)	Discounted valute at tax risk free + risk spread	2-3

Key:
* For further clarification on fair value levels, please refer to “A.4.3 Fair value hierarchy”.
** Exposures are generally classified as level 3, except for central banks and credit institutions classified as level 2.

The inputs used are the assumptions that market participants would use in determining the price of the asset or liability and can be classified as:

- observable inputs: developed using market data, such as publicly available information about actual transactions or events, and reflecting the assumptions that market participants would use in determining the price of the asset or liability;
- unobservable inputs: market information is not available and these are developed using the best available information on the assumptions that market participants would use in determining the price of the asset or liability. The majority of these inputs are derived from internal sources within the Santander Group.

A volatility adjustment factor known as FVA – fair value adjustment is also used (split into CVA – Credit Value Adjustment and DVA – Debit Value Adjustment for assets and liabilities, respectively). The main aggregates affected by the FVA are the loan portfolio, for which the adjustment factor is included in impairment, while for derivative contracts, daily settlement of positions allows an implicit unwinding of the adjustment factor.

A.4.2 Valuation processes and sensitivities

Risk-free and risk-spread parameters are updated quarterly and are intended to incorporate fluctuations arising from market risk. These values are subject to periodic monitoring by the Market Risk function in order to continuously assess the adequacy of the models used, which are reviewed at least annually.

A.4.3 Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that categorises into three levels the inputs used in valuation techniques to measure fair value. The hierarchy gives the highest priority to quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

In particular:

- Level 1: when the valuation of the instrument is obtained directly from quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: when no active market price is available and valuation is performed using valuation techniques based on observable market parameters, or using unobservable parameters supported and corroborated by market evidence such as prices, spreads or other inputs;
- Level 3: when valuations are performed using inputs that are not all directly derived from observable market parameters and therefore involve estimates and assumptions by the valuer.

No transfers between fair value levels were made during the year.

A.4.4 Other information

No cases falling under IFRS 13, paragraphs 48, 93(i) and 96 are identified.

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

	12/31/2025			12/31/2024		
	L1	**L2**	**L3**	**L1**	**L2**	**L3**
1. Financial assets valued at fair value with impact on income statement	4	56,455	-	4	72,671	-
a) financial assets held for trading	-	56,455	-	-	72,671	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) o+ther financial assets compulsorily assessed at fair value	4	-	-	4	-	-
2. Financial assets valued at fair value with impact on overall profitability	203,465	-	1,773,610	-	-	2,038,816
3. Cover derivatives	-	17,502	-	-	10,039	-
4. Tangible assets	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**203,468**	**73,957**	**1,773,610**	**4**	**82,711**	**2,038,816**
1. Financial liabilities held for trading	-	59,769	-	-	74,806	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Cover derivatives	-	18,166	-	-	33,438	-
Total	**-**	**77,935**	**-**	**-**	**108,244**	**-**

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

At the financial year-end, no transfers of assets and liabilities between levels were identified.

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

	Financial assets measured at fair value with impact on the income statement				Financial assets measured at fair value with an impact on total profitability	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets that are necessarily measured at fair value				
1. Initial Existences	**-**	**-**	**-**	**-**	**2,038,816**	**-**	**-**	**-**
2. Increases	**-**	**-**	**-**	**-**	**1,761,903**	**-**	**-**	**-**
2.1. Purchases	-	-	-	-	-	-	-	-
2.2. Profits charged to:	-	-	-	-	-	-	-	-
2.2.1. Income statement	-	-	-	-	-	-	-	-
- of which capital gains	-	-	-	-	-	-	-	-
2.2.2. Net assets	-	X	X	X	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increasing variations	-	-	-	-	1,761,903	-	-	-
3. Decreases	**-**	**-**	**-**	**-**	**2,027,109**	**-**	**-**	**-**
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Refunds	-	-	-	-	-	-	-	-
3.3. Losses charged to:	-	-	-	-	-	-	-	-
3.3.1. Income statement	-	-	-	-	-	-	-	-
- of which capital losses	-	-	-	-	-	-	-	-
3.3.2. Net assets	-	X	X	X	-	-	-	-
3.4. Transfers from other levels	-	-	-	-	-	-	-	-
3.5. Other decreasing variations	-	-	-	-	2,027,109	-	-	-
4. Final stocks	**-**	**-**	**-**	**-**	**1,773,610**	**-**	**-**	**-**

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

The Group does not hold level 3 financial liabilities measured at fair value on a recurring basis.

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

Assets / Liabilities not measured at fair value or measured at fair value on a non-recurring basis	12/31/2025				12/31/2024			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets valued at amortized cost	15,465,747	203,522	-	13,926,344	13,672,792	303,332	-	12,058,798
2. Available for sale financial assets	-	-	-	-	-	-	-	-
3. Non current assets classified as held for sale	5	-	-	5	148	-	-	148
Total	**15,465,752**	**203,522**	**-**	**13,926,348**	**13,672,940**	**303,332**	**-**	**12,058,946**
1. Financial liabilities measured at amortized cost	17,362,103	-	3,145,353	14,237,457	15,582,800	-	2,643,909	12,909,862
2. Liabilites included in disposal group classified as hfs	-	-	-	-	-	-	-	-
Total	**17,362,103**	**-**	**3,145,353**	**14,237,457**	**15,582,800**	**-**	**2,643,909**	**12,909,862**

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

A.5 – Disclosure on the so-called "Day One Profit/Loss"

The Group does not hold financial instruments for which the conditions set out in paragraph 28 of IFRS 7 are met.

Part B – Information on the consolidated balance sheet

ASSETS

Sezione 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total 12/31/2025	Total 12/31/2024
a) Cash	6	9
b) Current account and demand deposits with Central banks	781,658	828,284
c) Current accounts and demand deposits with banks	444,143	383,842
Total	**1,225,807**	**1,212,135**

Section 2 – Financial assets measured at fair value through profit or loss – Item 20

2.1 Financial assets held for trading: breakdown by product type

Voci/Valori	Total 12/31/2025			Total 12/31/2024		
	L1	L2	L3	L1	L2	L3
A. Balance-sheet assets						
1. Debt securities		-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other securietes	-	-	-	-	-	-
2. Equity securites	-	-	-	-	-	-
3. Investment funds unit	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 REPOs	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments	-	-	-	-	-	-
1. Financial derivates	-	56,455	-	-	72,671	-
1.1 trading	-	56,455	-	-	72,671	-
1.2 fair value hedges	-	-	-	-	-	-
1.3 others	-	-	-	-	-	-
2. Credit derivates	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 fair value hedges	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-
Total (B)	**-**	**56,455**	**-**	**-**	**72,671**	**-**
Total (A+B)	**-**	**56,455**	**-**	**-**	**72,671**	**-**

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

The line item "Financial derivates" includes the positive fair values of derivatives entered into as part of the proprietary securitisation transactions, without derecognition.

2.2 Financial assets held for trading: breakdown by debtors/issuers/counterparties

Items/Values	Total 12/31/2025	Total 12/31/2024
A. Financial assets		
1. Debt securities	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other finanzial companies	-	-
of which: Insurance companies	-	-
c) Non financial companies	-	-
d) Other issuers	-	-
3. Units investment funds	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
f) Families	-	-
Total (A)	**-**	**-**
B. Derivative instruments		
a) Central Counterparties	-	-
b) Others	56,455	72,671
Total (B)	**56,455**	**72,671**
Total (A+B)	**56,455**	**72,671**

2.3 Financial assets designated at fair value: breakdown by product type

The Group has no financial assets designated at fair value.

2.4 Financial assets designated at fair value: breakdown by debtors/issuers

The Group has no financial assets designated at fair value.

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

Items/Values	Total 12/31/2025			Total 12/31/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Others	-	-	-	-	-	-
2. Equity instruments	**4**	**-**	**-**	**4**	**-**	**-**
3. Units investment funds	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 REPO	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**4**	**-**	**-**	**4**	**-**	**-**

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtors/issuers

	Total 12/31/2025	Total 12/31/2024
1. Equity instruments	**4**	**4**
of which: banks	-	-
of which: other financial companies	-	-
of which: other non financial companies	4	4
2. Debts securities	**-**	**-**
a) Central Banks	-	-
b) Public sector entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
3. Units investment funds	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public sector entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
f) Households	-	-
Total	**4**	**4**

Section 3 – Financial assets measured at fair value through other comprehensive income – Item 30

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

Item/Values	Total 12/31/2025			Total 12/31/2024		
	L1	L2	L3	L1	L2	L3
1. Debts securities	203,465	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	203,465	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-
3. Loans	-	-	1,773,610	-	-	2,038,816
Total	**203,465**	**-**	**1,773,610**	**-**	**-**	**2,038,816**

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

The line item “Debt securities – Other debt securities” includes securities issued by the Italian State.

The line item “Loans and advances” includes the wholesale portfolio of the subsidiary Stellantis Financial Services Italia, relating to dealers for the purchase of new and demonstrator vehicles, for which non-recourse disposals are carried out annually. For further information, please refer to the “Report of Group Operations– Matters of Note”.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtors/issuers

Items/Values	Total 12/31/2025	Total 12/31/2024
1. Debt securities	**203,465**	**-**
a) Central Banks	-	-
b) Public entities	203,465	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- other financial companies	-	-
of which: insurance companies	-	-
- non financial companies	-	-
- others	-	-
3. Loans	**1,773,610**	**2,038,816**
a) Central Banks	-	-
b) Public entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	1,773,610	2,038,816
f) Households	-	-
Total	**1,977,075**	**2,038,816**

3.3. Financial assets measured at fair value through other comprehensive income: gross carrying amount and total writedowns

		Gross amount					Writedowns				
		First stage	of which: low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	Write-off parziali complessivi
Debt securities		203,465	-	-	-	-	-	-	-	-	-
Loans		1,687,143	-	87,495	-	-	986	43	-	-	-
Total	**12/31/2025**	**1,890,608**	**-**	**87,495**	**-**	**-**	**986**	**43**	**-**	**-**	**-**
Total	**12/31/2024**	**1,958,178**	**-**	**77,840**	**3,414**	**-**	**578**	**13**	**26**	**-**	**-**

Section 4 – Financial assets measured at amortised cost – Item 40

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

Type of transaction/Values	Total 12/31/2025						Total 12/31/2024					
	Balance value			Fair value			Balance value			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
A. Receivables to Central Banks	**15,980**	**-**	**-**	**-**	**-**	**15,980**	**15,098**	**-**	**-**	**-**	**-**	**15,098**
1. Deposits to Maturity	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserves	15,119	-	-	X	X	X	14,237	-	-	X	X	X
3. Repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	861	-	-	X	X	X	861	-	-	X	X	X
B. Receivables to banks	**21,577**	**-**	**-**	**-**	**-**	**21,577**	**8,415**	**-**	**-**	**-**	**-**	**8,415**
1. Loans	21,577	-	-	-	-	21,577	8,415	-	-	-	-	8,415
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Other loans:	21,577	-	-	X	X	X	8,415	-	-	X	X	X
- Repos	-	-	-	X	X	X	-	-	-	X	X	X
- Finance leases	2,537	-	-	X	X	X	3,246	-	-	X	X	X
- Others	19,040	-	-	X	X	X	5,169	-	-	X	X	X
2. Debts securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**37,557**	**-**	**-**	**-**	**-**	**37,557**	**23,513**	**-**	**-**	**-**	**-**	**23,513**

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

The line item "Loans and advances to central banks – Other" includes security deposits in favour of the Single Resolution Fund.

The line item "Loans and advances to banks – Loans and advances – Other" mainly includes cash collateral related to derivative contracts amounting to EUR 19,020 thousand (EUR 5,148 thousand in 2024).

4.2 Financial assets measured at amortised cost:loans and advances to customers, breakdown by product type

Type of transaction/Values	Total 12/31/2025						Total 12/31/2024					
	Balance value			Fair value			Balance value			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Loans	**15,113,901**	**110,629**	**217**	**-**	**-**	**13,888,787**	**13,237,637**	**109,575**	**572**	**-**	**-**	**12,035,286**
1. Deposits from customers	130,988	764	-	X	X	X	93,927	552	-	X	X	X
2. REPOs	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgages	-	-	-	X	X	X	-	-	-	X	X	X
4. Credit cards, personal loans and wage assignment losses	2,649,560	46,146	-	X	X	X	2,732,299	42,658	-	X	X	X
5. Lease loans	1,365,284	14,459	47	X	X	X	1,114,976	15,228	256	X	X	X
6. Factoring	210,141	1,395	-	X	X	X	208,790	2,474	-	X	X	X
7. Other loans	10,757,928	47,865	170	X	X	X	9,087,646	48,663	316	X	X	X
2. Debt securities	**203,443**	**-**	**-**	**203,522**	**-**	**-**	**301,496**	**-**	**-**	**303,332**	**-**	**-**
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	203,443	-	-	203,522	-	-	301,496	-	-	303,332	-	-
Total	**15,317,344**	**110,629**	**217**	**203,522**	**-**	**13,888,787**	**13,539,133**	**109,575**	**572**	**303,332**	**-**	**12,035,286**

The line item “Current accounts” mainly includes credit facilities granted to dealers.

The line item “Leasing loans” includes car leases.

The line item “Factoring” includes relationships with the automotive parent companies, supporting car loans and car leases.

The line item “Other loans and advances” mainly includes:

- car loans;
- special-purpose loans;
- floorplan (finstock) financing granted to dealers, supporting car loans and car leases;
- TFS loans;
- items relating to the salary assignment product.

The line item “Debt securities – Other debt securities” includes securities issued by the Italian State.

4.3 Financial assets measured at amortised cost: loans and advances to customers, breakdown by debtors/issuers

Type of transaction / Values	Total 12/31/2025			Total 12/31/2024		
	First and second stage	Third stage	Purchased or originated impaired assets	First and second stage	Third stage	Purchased or originated impaired assets
1. Debt securities	**203,443**	**-**	**-**	**301,496**	**-**	**-**
a) Public Administration	203,443	-	-	301,496	-	-
b) Other financial companies	-	-	-	-	-	-
=S70	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Loans to:	**15,113,901**	**110,629**	**217**	**13,237,637**	**109,575**	**572**
a) Public-sector entities	1,117	3,031	-	1,340	3,479	-
b) Other financial companies	20,257	133	-	15,545	64	-
of which: insurance companies	1	4	-	2	3	-
c) Non-financial companies	2,703,288	19,478	53	2,138,874	20,245	230
d) Households	12,389,240	87,988	164	11,081,878	85,787	342
Total	**15,317,344**	**110,629**	**217**	**13,539,133**	**109,575**	**572**

4.4 Financial assets measured at amortised cost: gross carrying amount and total writedowns

		Gross amount					Writedowns				Write off partial total
		First stage	of which: low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	
Debt securities		203,443	-	-	-	-	-	-	-	-	-
Loans		14,611,244	-	633,745	284,509	1,838	56,529	37,001	173,880	1,621	-
Total at	**46**	**14,814,687**	**-**	**633,745**	**284,509**	**1,838**	**56,529**	**37,001**	**173,880**	**1,621**	**-**
Total at	**12/31/2024**	**13,300,387**	**-**	**344,694**	**286,293**	**2,237**	**47,983**	**34,452**	**176,718**	**1,665**	**-**

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and by levels

	Fair Value 12/31/2025			NV	Fair Value 12/31/2024			NV
	L1	L2	L3	12/31/2025	L1	L2	L3	12/31/2024
A. Financial derivatives								
1) Fair value	-	15,905	-	3,451,413	-	10,039	-	719,416
2) Cash flows	-	1,597	-	724,954	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**17,502**	**-**	**4,176,367**	**-**	**10,039**	**-**	**719,416**

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

With regard to the effectiveness testing of the hedge relationship against the hedged item, reference is made to the "Notes to the Consolidated Financial Statements – Part E – Section 2 – Market risks".

5.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedge

Transaction / Type of hedging	Fair Value						Cash-flow hedges		Net Investments on foreign subsidiaries
	Micro					Macro	Micro	Macro	
	debt securities and interest rates	equity securities and stock indexes	currencies and gold	commodities	others				
1. Available for sale financial assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Portfolio	X	X	X	X	X	15,905	X	-	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**15,905**	**-**	**-**	**-**
1. Financial Liabilities	-	-	-	X	-	X	1,597	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**1,597**	**-**	**X**
1. Highly probable transactions (CFH)	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Section 6 – Value adjustment of financial assets subject to macro hedging – Item 60

6.1 Value adjustment of hedged assets: breakdown by hedged portfolios

	Total 12/31/2025	Total 12/31/2024
1. Positive fair value changes	**6,294**	**31,215**
1.1 of specific portfolios:	6,294	31,215
a) financial assets at amortized cost	6,294	31,215
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
1.2 overall	-	-
2. Negative fair value changes	**13,482**	**21,110**
2.1 of specific portfolios:	13,482	21,110
a) financial assets at amortized cost	13,482	21,110
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
2.2 overall	-	-
Total	**(7,188)**	**10,105**

This item recognises the net balance of changes in the value of assets subject to *macro hedging* against interest rate risk, for which the Bank has exercised the option, provided by IFRS 9, to continue applying the provisions permitted by IAS 39 in the *carve-out* version.

The positive adjustment of EUR 6,294 thousand (EUR 31,215 thousand in 2024) includes the value adjustment of financial assets subject to macro hedging against interest rate risk, relating to the Parent Company, and is attributable to changes in interest rates.

The negative adjustment of EUR 13,482 thousand (EUR 21,110 thousand in 2024) includes:

- EUR 2,675 thousand (not present in 2024) from the value adjustment of financial assets subject to macro hedging against interest rate risk, relating to the subsidiary Stellantis Financial Services Italia, and attributable to changes in interest rates;
- EUR 10,807 thousand (EUR 21,110 thousand in 2024) from the residual amount of the unwinding transaction carried out in 2024, relating to the Parent Company, which continues to be amortised over the residual life estimated at the transaction date.

Section 7 – Equity investments – Item 70

The Group has no equity investments.

Section 8 – Insurance assets – Item 80

The Group has no companies carrying out insurance business.

Section 9 – Property, plant and equipment – Item 90

9.1 Property, plant and equipment for own use: breakdown of assets measured at cost

Activities/Values	Total 12/31/2025	Total 12/31/2024
1. Owened assets	**194,096**	**168,149**
a) lands	-	-
b) buildings	-	-
c) furniture	463	563
d) electronic system	1,481	2,620
e) other	192,152	164,966
2. Leased assets	**11,906**	**12,188**
a) lands	-	-
b) buildings	11,033	11,869
c) furniture	-	-
d) electronic system	-	-
e) other	872	319
Total	**206,002**	**180,337**
of which: obtained by the enforcement of collateral	-	-

The line item "Owned assets – other" mainly includes cars purchased for operating lease purposes, relating to the subsidiaries Santander Consumer Renting and Drive; for further details, please refer to paragraph "9.6 Property, plant and equipment for own use: yearly changes".

For further details on the line item "property, plant and equipment acquired under finance leases", please refer to the Notes to the Consolidated Financial Statements – Part M – Leasing disclosures.

9.2 Investment property: breakdown of assets measured at cost

The Group has no investment property measured at cost.

9.3 Property, plant and equipment for own use: breakdown of revalued assets

The Group has no revalued property and equipment for own use.

9.4 Investment property: breakdown of assets measured at fair value

The Group has investment property.

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

The Group has no property, plant and equipment obtained through the enforcement of collateral received or other inventories of tangible assets.

9.6 Property, plant and equipment for own use: yearly changes

	Lands	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	**-**	**18,067**	**3,361**	**17,540**	**187,849**	**226,816**
A.1 Total net reduction value	-	6,198	2,798	14,920	22,564	46,479
A.2 Net opening balance	**-**	**11,869**	**563**	**2,620**	**165,285**	**180,337**
B. Increase:	**-**	**905**	**52**	**61**	**178,824**	**179,842**
B.1 Purchasing	-	738	52	61	83,595	84,446
- of which business combinations	-	-	-	-	-	-
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from investment properties	-	-	X	X	X	-
B.7 Other adjustment	-	167	-	-	95,230	95,397
C. Decrease:	**-**	**1,740**	**152**	1,201	**151,084**	**154,178**
C.1 Sales	-	240	-	-	23,365	23,605
- of which business combinations	-	-	-	-	9,252	9,252
C.2 Amorization	-	1,333	152	1,201	27,350	30,036
C.3 Impairment losses allocated to	-	-	-	-	2,125	2,125
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	2,125	2,125
C.4 Negative chages in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
C.5 Negative exchange difference	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) held for sale investment	-	-	X	X	X	-
b) non-current assets and group of assets held for sale	-	-	-	-	-	-
C.7 Other adjustment	-	167	-	-	98,244	98,412
D. Net closing balance	**-**	**11,033**	**463**	**1,481**	**193,025**	**206,002**
D.1 Total net write-down	-	6,625	2,946	16,120	38,809	64,500
D.2 Final gross balance	**-**	**17,658**	**3,409**	**17,601**	**231,833**	**270,501**
E. Carried at cost	-	-	-	-	-	-

Sub-item E (Carried at cost) is not completed since, as provided for by Bank of Italy Circular No. 262 of 2005, it is to be completed only for property and equipment measured at fair value.

The lines “Other increases” and “Other decreases” include, respectively, impairment gains and losses on assets subject to IFRS 16.

Set out below are the details of yearly changes in property, plant and equipment for own use relating to assets acquired under finance leases:

	Lands	Buildings	Furniture	Electronic System	Others	Total
A. Gross opening balance		**17,320**			**2,778**	**20,097**
A.1 Total net reduction value		6,274			2,459	8,732
A.2 Opening net balance		**11,046**			**319**	**11,365**
B. Increase:		**1,922**			**2,925**	**4,847**
B.1 Purchasing		311			1,487	1,797
- of which business combinations						
B.2 Capitalised expenditure on improvements						
B.3 Write-backs						
B.4 Increases in fair value						
a) in equity						
b) through profit & loss						
B.5 Positive exchange differences						
B.6 Transfer from properties held for investment						
B.7 Other adjustment		1,611			1,438	3,049
C. Decreases:		**1,934**			**2,372**	**4,306**
C.1 Disposal		240				240
- of which business combinations						
C.2 Depreciation		1,365			933	2,299
C.3 Impairment losses						
a) in equity						
b) through profit & loss						
C.4 Negative chages in fair value						
a) net equity						
b) through profit & loss						
C.5 Negative exchange difference						
C.6 Transfer to::						
a) Property, plant and equipment held for investment						
b) non-current assets and disposal groups classified as held for sale						
C.7 Other adjustment		329			1,438	1,767
D. Net final balance		**11,033**			**872**	**11,906**
D.1 Total net reduction in value		6,625			978	7,603
D.2 Gross closing balance		**17,658**			**1,851**	**19,509**
E. Carried at cost		939			980	1,920

Set out below are the details of yearly changes in property and equipment for own use relating to assets acquired for operating lease purposes:

	Lands	Buildings	Furniture	Electronic System	Others	Total
A. Gross opening balance					**184,592**	**184,592**
A.1 Total net reduction value					20,394	20,394
A.2 Opening net balance					**164,548**	**164,548**
B. Increase:					**175,702**	**175,702**
B.1 Purchasing					81,911	81,911
- of which business combinations						
B.2 Capitalised expenditure on improvements						
B.3 Write-backs						
B.4 Increases in fair value						
a) in equity						
b) through profit & loss						
B.5 Positive exchange differences						
B.6 Transfer from properties held for investment						
B.7 Other adjustment					93,791	93,791
C. Decreases:					**148,566**	**148,566**
C.1 Disposal					23,365	23,365
- of which business combinations						
C.2 Depreciation					25,593	25,593
C.3 Impairment losses						
a) in equity						
b) through profit & loss					1,545	1,545
C.4 Negative chages in fair value						
a) net equity						
b) through profit & loss					713	713
C.5 Negative exchange difference						
C.6 Transfer to::						
a) Property, plant and equipment held for investment						
b) non-current assets and disposal groups classified as held for sale						
C.7 Other adjustment					97,350	97,350
D. Net final balance					**191,684**	**191,684**
D.1 Total net reduction in value					148,566	148,566
D.2 Gross closing balance					**340,250**	**340,250**
E. Carried at cost						

9.7 Investment property: yearly changes

The Group has no investment property.

9.8 Inventories of property, plant and equipment governed by IAS 2: yearly changes

The Group has no property, plant and equipment obtained through the enforcement of collateral received or other inventories of tangible assets.

9.9 Commitments to purchase property, plant and equipment

The Group has no commitments to purchase property, plant and equipment.

Section 10 – Intangible assets – Item 100

10.1 Intangible assets: breakdown by type of asset

Activities/Values	Total 12/31/2025		Total 12/31/2024	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**-**	**X**	**-**
A.1.1 attributable to the group	X	-	X	-
A.1.2 attributable minorities	X	-	X	-
A.2 Other intangible asset	**99,407**	**-**	**115,476**	**-**
of which: software	16,078	-	17,546	-
A.2.1 Assets valued at cost:	**99,407**	**-**	**115,476**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	99,407	-	115,476	-
A.2.2 Assets valued at fair value:	**-**	**-**	**-**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**99,407**	**-**	**115,476**	**-**

The line item "Other intangible assets" includes, in addition to the software investments reported, business rights arising from Stellantis Financial Services Italia for EUR 83,310 thousand (EUR 97,811 thousand in 2024).

The software line item also includes software under development amounting to EUR 1,459 thousand (EUR 732 thousand in 2024).

10.2 Intangible assets: yearly changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: others		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	**-**	**-**	**-**	**154,312**	**-**	**154,312**
A.1 Reductions of total net value	-	-	-	38,837	-	38,837
A.2 Net opening balance	-	-	-	115,476	-	115,476
B. Increases	**-**	**-**	**-**	**15,073**	**-**	**15,073**
B.1 Purchases	-	-	-	7,540	-	7,540
- of which business combinations	-	-	-	-	-	-
B.2 Increments of internal intagible assets	X	-	-	-	-	-
B.3 Value recoveries	X	-	-	-	-	-
B.4 Positive variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other variations	-	-	-	7,533	-	7,533
C. Decreases	**-**	**-**	**-**	**31,142**	**-**	**31,142**
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Value adjustment	-	-	-	23,716	-	23,716
- Amortisations	X	-	-	23,716	-	23,716
- Depreciations	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ P&L statement	-	-	-	-	-	-
C.3 Negative variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
C.4 Transfer to non-current assets	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other variations	-	-	-	7,426	-	7,426
D. Net final surplus	**-**	**-**	**-**	**99,407**	**-**	**99,407**
D.1 Adjustment of net total values	-	-	-	55,125	-	55,125
E. Gross final surplus	**-**	**-**	**-**	**154,532**	**-**	**154,532**
F. Evaluation to cost	-	-	-	-	-	-

Key:
DEF: finite useful life
INDEF: indefinite useful life

The line item "Other variations" includes derecognitions (of historical cost and the related accumulated amortisation) recorded during the year.

Sub-item F (Carried at cost) is not completed since, as provided for by Bank of Italy Circular No. 262 of 2005, it is to be completed only for intangible assets measured at fair value.

10.3 Other information

Stellantis Financial Services Italia performed the impairment test of the business rights and found no need to change the amortisation period or the carrying amount of this type of intangible asset recognised in the Balance Sheet.

Section 11 – Tax assets and tax liabilities – Asset item 110 and Liabilities and equity item 60

11.1 Deferred tax assets: breakdown

	12/31/2025	12/31/2024
To profit and loss statement	**75,656**	**108,626**
of which temporary differences:	33,720	32,169
- Tax losses and ACE	415	5,497
- Adjustments on credits deductible in future financial years	2,122	1,968
- Provisions for future charges	27,727	20,987
- Intangible assets	133	131
- Material assets	557	490
- Other	2,765	3,096
of which convertible temporary differences pursuant to Law 214/2011:	41,935	76,457
- Tax losses	-	35,164
- Rettifiche su crediti deducibili in futuri esercizi	41,935	41,293
To equity	**268**	**275**
- Financial assets measured at fair value	-	37
- Actuarial profit (loss)	268	238
Total	**75,924**	**108,901**

As regards the recoverability of deferred tax assets, in consideration of their nature and future development prospects in terms of the ability to generate taxable income, no particular issues have been identified that could affect their recoverability.

The line item "to profit or loss statement – other" includes deferred tax assets recognised for the IAS/IFRS representation of Stellantis Renting, which prepares its individual financial statements in accordance with national accounting standards.

11.2 Deferred tax liabilities: breakdown

	31/12/2025	31/12/2024
In contropartita al Conto Economico	**2.077**	**1.761**
di cui differenze temporanee:	2.077	1.761
- Altre	2.077	1.761
In contropartita al Patrimonio Netto	**586**	**7**
- Attività finanziarie valutate al fair value	13	
- Copertura dei flussi finanziari	564	
- Utile (perdite) attuariali	9	7
Totale	**2.663**	**1.768**

The line item "to profit or loss statement– other" includes deferred tax liabilities recognised for the IAS/IFRS representation of Stellantis Renting, which prepares its individual financial statements in accordance with national accounting standards.

11.3 Changes in deferred tax assets (to income statement)

	Totale 12/31/2025	Totale 12/31/2024
1. Opening balance	**108,627**	**125,837**
2. Increase	**16,034**	**47,374**
2.1 Deferred tax assets of the year	14,500	47,331
a) related to previous fiscal year	2,544	2,073
b) due to changes in accountable parameters	-	-
c) write-backs	-	-
d) others	11,956	45,258
2.2 New levies or increases in fiscal rates	1,535	-
2.3 Other increases	-	43
3. Decreases	**49,004**	**64,585**
3.1 Anticipated levies cancelled in fiscal year	12,565	47,320
a) reversals of temporary differences	12,565	47,320
b) write-downs of non-recoverable items	-	-
c) changes in accountable parameters	-	-
d) others	-	-
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	36,439	17,265
a) conversion into tax credit under L. 214/2011	35,448	17,265
b) others	991	-
4. Closing balance	**75,656**	**108,627**

With regard to “increases”:

- “deferred tax assets recognised of the year”:
    - “relating to previous fiscal years” includes adjustments made upon filing the 2024 income tax return, mainly consisting of the recognition of tax losses arising from the revision of the Patent Box contribution of the previous year;
    - “other increases” mainly includes movements relating to provisions;
- “New levies or increases in fiscal rates” includes the increase in the IRAP rate for the banking sector (for further information, please refer to the Report of Group Operations– Matters of Note).

With regard to “decreases”:

- “Anticipated levies cancelled in fiscal year – reversals” mainly include movements relating to provisions and the utilisation of non-monetisable tax losses and prior-year ACE;
- “other decreases – conversion into tax credits pursuant to Law No. 214/2011” include the conversion of monetisable tax losses carried out upon filing the 2024 income tax return; for further details, reference is made to the table in the following paragraph.

11.4 Changes in deferred tax assets pursuant to Italian Law No. 214/2011

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**76,457**	**93,532**
2. Increases	**926**	**35,823**
3. Decreases	**35,448**	**52,899**
3.1 Reversals of temporary differences	-	35,634
3.2 Transformation into tax credits	35,448	17,265
a) Due to loss positions arisen from P&L	-	-
b) Due to tax losses	35,448	17,265
3.3 Other decreases	-	-
4. Closing balance	**41,935**	**76,457**

With regard to deferred tax assets as per Italian Law no. 214/2011 recorded in the financial statements, it should be stressed that they are fully convertible into tax credits, according to the legislative provisions, as a result of the exercise of the option referred to in article 11 of Italian Decree Law no. 59/2016 and subsequent amendments.

The “increases” mainly reflect the increase in the tax rates mentioned above.

The “decreases” reflect the conversion of monetisable tax losses carried out upon filing the 2024 income tax return.

11.5 Changes in deferred tax liabilities (through income statement)

	Total 12/31/2025	Total 12/31/2024
1. Initial amount	**1,761**	**1,212**
2. Increase	**316**	**713**
2.1 Defered levies observed in the fiscal year	**316**	**713**
a) related to precedent fiscal year	-	-
b) due to change in accountability parameters	-	-
c) others	316	713
2.2 New levies or increments of fiscal rates	**-**	**-**
2.3 Other increases	**-**	**-**
3. Decreases	**-**	**164**
3.1 Defered levies cancelled in the fiscal year	-	164
a) reversals of temporary differences	-	164
b) due to changes in accountable parameters	-	-
c) others	-	-
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
4. Final amount	**2,077**	**1,761**

11.6 Changes in deferred tax assets (through shareholder's equity)

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**274**	**294**
2. Increases	**-**	**10**
2.1 Deferred tax assets during the year	-	10
b) related to previous fiscal years	-	-
b) due to changes in accountable parameters	-	-
c) others	-	10
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**7**	**29**
3.1 Deferred tax assets reversed during the year	7	29
a) reversals of temporary differences	-	-
b) devaluation for appeared irrecoverability	-	-
c) due to changes in accountable parameters	-	-
d) others	7	29
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
4. Closing balance	**268**	**274**

The "decreases – deferred tax assets reversed during the year – other" include changes relating to actuarial gains (losses).

11.7 Changes in deferred tax liabilities (through shareholder's equity)

	Total 12/31/2025	Total 12/31/2024
1. Initial amount	**7**	**6**
2. Increases	**579**	**1**
2.1 Deferred levies observed in fiscal year	579	1
a) related to previous fiscal year	-	-
b) due to changes in accountable parameters	-	-
c) others	579	1
2.2 New levies or increases in fiscal rates	-	-
2.3 Other increases	-	-
3. Decreases	-	-
3.1 Deferred levies reversed in fiscal year	**-**	**-**
a) reversals of temporary differences	-	-
b) due to changes in accountable parameters	-	-
c) others	-	-
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
4. Final amount	**585**	**7**

The "increases – deferred levies observed in fiscal year– other" include changes relating to gains (losses) relating to the micro cash flow hedge and financial assets measured at fair value.

11.8 Other information

Current tax assets amount to EUR 66,204 thousand (EUR 42,494 thousand in 2024) and mainly include receivables arising from the conversion of deferred tax assets as well as receivables relating to direct taxes.

Current tax liabilities amount to EUR 22,319 thousand (EUR 12,591 thousand in 2024) and include the residual payable, net of offsets with current tax assets, in accordance with IAS 12.

Section 12 – Non-current assets held for sale and discontinued operations and associated liabilities – Asset item 120 and Liabilities and Shareholder's equity item 70

12.1 Non-current assets held for sale and discontinued operations: breakdown by type of asset

	12/31/2025	12/31/2024
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Tangible assets	5	148
of which: inventories of tangible assets arising from the recovery of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non current assets	-	-
Total A	**5**	**148**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	5	148
B. Discontinued operations		
B.1 Financial assets at fair value with effect on P&L	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily designated at fair value	-	-
B.2 Financial assets designated at fair value with effects on comprehensive income	-	-
B.3 Financial assets valued at amortized cost	-	-
B.4 Equity investments	-	-
B.5 Tangible assets	-	-
of which: inventories of tangible assets arising from the recovery of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	**-**	**-**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	-	-
C. Liabilities associated with assets held for sale		
C.1 Deposits	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	**-**	**-**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	-	-
D. Liabilities linked to discontinued operations		
D.1 Financial liabilities valued at amortized cost	-	-
D.2 Financial trading liabilities	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Reserves	-	-
D.5 Other liabilities	-	-
Total D	**-**	**-**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	-	-

12.2 Other information

There is no further information with reference to the disclosures required by IFRS 5, paragraph 42.

Section 13 – Other assets – Item 130

13.1 Other assets: breakdown

	12/31/2025	12/31/2024
Transaction in transit	**72,094**	**86,394**
Insurance	**149,000**	**106,783**
Receivables deriving from the supply of non-financial goods and services	**85,657**	**69,765**
Operating leases	12,874	7,913
Other intragroup assets	-	70
Due from dealers	11,151	5,796
Advances to suppliers and different customers	61,632	55,986
Tax accounts	**177,563**	**136,527**
VAT	141,338	105,482
Stamp duties	24,386	22,030
Other tax receivables	11,838	9,016
Leasehold improvements	**710**	**920**
Accruaed income and prepaid expenses	**75,705**	**56,549**
Operating lease	11,749	9,123
Others	63,957	47,426
Other assets	**3,048**	**926**
Frauds	-	-
Security deposits	131	136
Grant	-	-
Pending costs	83	428
Warehouse inventories	-	-
Others	2,834	362
Total	**563,777**	**457,865**

Set out below are the disclosures relating to the breakdowns of the line items:

- "Transaction in transit" mainly includes items being processed relating to instalment collection activities;
- "Insurance" mainly includes receivables for fees linked to insurance brokerage activities; this line item increased compared to 2024 due to improved insurance penetration on the car product, with a significant contribution from the subsidiary Stellantis Financial Services Italia;
- "Receivables arising from supplies of non-financial goods and services":
    - "Operating leases" includes receivables from customers arising from operating lease activities relating to the subsidiaries Santander Consumer Renting and Drive;
    - "Due from dealers" mainly includes balances due from dealers and agents arising from the issuance of sales invoices spanning year-end;
    - "Advances to suppliers and different customers" mainly includes operating balances with minority shareholders (such as interest rate contributions) and service activities towards companies belonging to the Banco Santander Group that are not included in the Italian legal group, such as Hyundai Capital Bank Europe – Italian branch.
- "Tax accounts":
    - "VAT" mainly includes balances arising from Group VAT, consisting of Santander Consumer Bank, TIMFin, Santander Consumer Renting and Drive, and balances relating to companies other than Stellantis Financial Services Italia and Stellantis Renting Italia;

    - “Stamp duties” includes advances for which banks and finance companies act as withholding agents on behalf of customers;
    - “Other” mainly includes tax credits claimed for refund.
- “Leasehold improvements” include the residual amortisable amount relating to expenses incurred on the companies’ premises;
- “Accrued income and prepaid expenses”:
    - “Operating leases” include prepaid expenses arising from operating lease activities relating to Santander Consumer Renting and Drive and administrative expenses relating to IT systems;
    - “Other” mainly includes prepaid expenses relating to fees for non-financial services not attributable to a specific line item, including those relating to Stellantis Renting Italia, and administrative expenses relating to IT systems.

LIABILITIES

Section 1 – Financial liabilities measured at amortised cost – Item 10

1.1 Financial liabilities measured at amortised cost: deposits from banks, breakdown by type

Type of transaction/Values	Total 12/31/2025				Total 12/31/2024			
	B V	Fair Value			B V	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Deposits from central banks	**-**	X	X	X	**-**	X	X	X
2. Deposits from banks	**7,749,614**	X	X	X	**7,686,598**	X	X	X
2.1 Current accounts and demand deposits	12,525	X	X	X	29,092	X	X	X
2.2 Time deposits	-	X	X	X	-	X	X	X
2.3 Loans	7,732,178	X	X	X	7,647,885	X	X	X
2.3.1 Repos	-	X	X	X	-	X	X	X
2.3.2 Other	7,732,178	X	X	X	7,647,885	X	X	X
2.4 Liabilities relating to commitments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other liabilities	4,911	X	X	X	9,622	X	X	X
Total	**7,749,614**	**-**	**-**	**7,757,672**	**7,686,598**	**-**	**-**	**7,687,627**

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

The line item "Deposit from Central Banks" and "Deposits from Banks– Other" mainly includes credit facilities granted by the Spanish Parent Company.

The line item "Deposits from Banks– Other Liabilities" mainly includes cash collateral related to derivative positions.

1.2 Financial liabilities measured at amortised cost: deposits from customers, breakdown by type

Type of transaction/Value	Total 12/31/2025				Total 12/31/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	981,520	X	X	X	880,121	X	X	X
2. Time deposits	647,219	X	X	X	770,192	X	X	X
3. Loans	45,448	X	X	X	45,523	X	X	X
3.1 Reverse repos	-	X	X	X	-	X	X	X
3.2 Other	45,448	X	X	X	45,523	X	X	X
4. Liabilities relating to commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease payables	12,327	X	X	X	12,709	X	X	X
6. Other liabilities	8,115	X	X	X	7,665	X	X	X
Total	**1,694,630**	**-**	**-**	**1,667,853**	**1,716,209**	**-**	**-**	**1,674,676**

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

The line item "Loans and advances – Other" includes the funding granted by Stellantis Financial Services Nederlands to Stellantis Financial Services Italia.

1.3 Financial liabilities measured at amortised cost: debt securities issued, breakdown by type

Type of securities/Values	Total 12/31/2025				Total 12/31/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Debts securities including bonds								
1. bonds	7,917,859	-	3,145,353	4,811,932	6,179,992	-	2,643,909	3,547,559
1.1 structured	-	-	-	-	-	-	-	-
1,2 other	7,917,859	-	3,145,353	4,811,932	6,179,992	-	2,643,909	3,547,559
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	**7,917,859**	**-**	**3,145,353**	**4,811,932**	**6,179,992**	**-**	**2,643,909**	**3,547,559**

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

The line item "Debt securities – Bonds – Other" includes:

- *senior non-preferred* bonds amounting to EUR 714,191 thousand (EUR 769,918 thousand in 2024), fully subscribed by the Parent Company;
- asset-backed securities relating to securitisation transactions placed on the market for the residual portion.

1.4 Details of subordinated securities/debts

Type	12/31/2025	12/31/2024
Debito subordinato TIER II verso SCF - Santander Consumer Finance - scadenza 2029	10,000	10,000
Debito subordinato TIER II verso SCF - Santander Consumer Finance - scadenza 2031	55,000	55,000
Debito subordinato TIER II verso SCF - Santander Consumer Finance - scadenza 2033	80,000	80,000
Debito Subordinato Tier II verso Banque PSA Finance S.A. - scadenza 2029	11,000	11,000
Debito Subordinato Tier II verso Stellantis Finance Nederlands B.V. - scadenza 2033	45,000	45,000
Total	**201,000**	**201,000**

This line item includes loans granted by companies belonging to the Santander Group and by minority shareholders, classified under "Deposits from banks and Deposits from customers".

1.5 Details of structured debts

The Group has no structured debts.

1.6 Lease liabilities

Below is the breakdown of cash outflows for leases (IFRS 16 paragraph 53) and the maturity analysis of the related liabilities (IFRS 16 paragraph 58).

	Capital	Interest	Variable payments	Total cash flow leasing
	a	b	c	d=a+b+c
cash outflows	3,254	371	402	4,026

	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
Lease payables	-	111	-	5	273	390	786	4,791	5,972	-

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by product type

Operation type / Values	Total 12/31/2025					Total 12/31/2024				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Financial liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivative instruments										
1. Financial derivatives	-	-	59,769	-	X	-	-	74,806	-	-
1.1 Trading	X	-	59,769	-	X	X	-	74,806	-	X
1.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credits derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	59,769	-	X	X	-	74,806	-	X
Total (A+B)	X	-	59,769	-	X	X	-	74,806	-	X

Key:
VN = Nominal or notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair Value* = Fair value calculated excluding changes in value due to changes in the issuer's creditworthiness compared with the issue date

The line item “Financial derivatives” includes the negative *fair value* of derivatives entered into as part of the proprietary securitisation transactions, without derecognition.

2.2 Details of “Financial liabilities held for trading”: subordinated liabilities

The Group has no subordinated financial liabilities held for trading.

2.3 Details of “Financial liabilities held for trading”: structured debts

The Group has no structured financial liabilities held for trading.

Section 3 – Financial liabilities designated at fair value – Item 30

The Group has no financial liabilities measured at *fair value*.

Section 4 – Hedging derivatives – Item 40

4.1 Hedging derivatives: breakdown by hedging type and by level

	NV	Fair value 12/31/2025			NV	Fair value 12/31/2024		
	12/31/2025	L1	L2	L3	12/31/2024	L1	L2	L3
A) Financial derivatives	**2,427,489**	**-**	**18,166**	**-**	**3,296,536**	**-**	**33,438**	**-**
1) Fair value	2,427,489	-	18,166	-	3,296,536	-	33,438	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**2,427,489**	**-**	**18,166**	**-**	**3,296,536**	**-**	**33,438**	**-**

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

With regard to the effectiveness testing of the hedge relationship against the hedged item, reference is made to the “Notes to the Consolidated Financial Statements – Part E – Section 2 – Market risks”.

4.2 Hedging derivatives: breakdown by hedged portfolios and by hedging type

Transactions/Type of hedge	Fair Value							Cash flow		Foreign invest.
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equities and equity index	currencies and gold	credit	commodities	others				
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets valued to amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	18,166	X	-	X
4. Other operations	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**18,166**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 5 – Value adjustment of financial liabilities subject to macro hedging – Item 50

The Group has no value adjustments of financial liabilities subject to macro hedging.

Section 6 – Tax liabilities – Item 60

Please refer to the Notes to the Consolidated Financial Statements – Part B – Section 11 (Assets).

Section 7 – Liabilities associated with assets held for sale– Item 70

The Group has no liabilities associated with asset held for sale and discontinued operations.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

	12/31/2025	12/31/2024
Transaction in transit	**81,661**	**90,847**
Insurance	**91,750**	**62,646**
Payables deriving from the supply of non-financial goods and services	**236,242**	**273,348**
Operating lease	78	206
Factoring	-	-
Other intercompany assets	1	-
Due from dealers	47,534	24,749
Advances to suppliers	188,628	248,393
Tax accounts	**26,374**	**28,811**
Payables relating to customers	**16,062**	**16,466**
Payables relating to personnel and social security institutions	**34,299**	**25,689**
Accruals and prepaid expenses	**74,296**	**69,911**
Operating lease	1,791	1,158
Other	72,505	68,753
Other liabilities	**3,919**	**5,770**
Security deposits	722	1,442
Revenues pending allocation	1,033	2,677
Others	2,164	1,854
Total	**564,602**	**573,691**

Below is the disclosure regarding the breakdown of the line items:

- "Transaction in transit" mainly includes transactions in processing relating to instalment collection and loan disbursement settlement activities;
- "Insurance" mainly includes premiums payable to insurance companies and the provision created under IFRS 15 to cover potential commission reversals relating to premiums not accrued by customers in the event of early termination of insurance coverages; the line item increased compared with 2024 due to improved insurance penetration achieved on the car product, with a significant contribution from the subsidiary Stellantis Financial Services Italia;
- "Payables arising from supplies of non-financial goods and services":
  - "Due from dealers" mainly includes commission payables to dealers and agents, as well as the supplementary customer indemnity provision;
  - "Advances to suppliers" includes payables relating to operating expenses, as well as the exposure arising from the sale without recourse of the wholesale portfolio of the subsidiary Stellantis Financial Services Italia; for further details on the latter aspect, please refer to the Report of Group Operations;
- "Tax accounts" mainly includes withholding taxes payable;
- "Payables relating to customers" includes temporary payables to customers for early repayments and temporary debit balances relating to instalments collected in advance of contractual due dates;
- "Payables to employees and social security institutions" includes, in addition to ordinary operating items, the contractual obligations undertaken in compliance with the early-exit incentives relating to the subsidiary, amounting to EUR 5,280 thousand (EUR 6,554 thousand in 2024), for which the amount may vary depending on the social security components until settlement.

- "Accrued liabilities and prepaid expenses":
    - "Operating leases" includes deferrals arising from the operating leasing activity of Santander Consumer Renting and Drive;
    - "Other" mainly includes deferrals relating to fees for non-financial services not attributable to a specific line item, including those relating to Stellantis Renting Italia;
- "Other liabilities – Other" mainly includes solidarity-type funds relating to the subsidiary.

Section 9 – Staff severance indemnity – Item 90

9.1 Staff severance indemnity: annual changes

	Total 12/31/2025	Total 12/31/2024
A. Opening balance	**5,391**	**5,782**
B. Increases	**307**	**1,271**
B.1 Provision of the year	223	295
B.2 Other increases	84	976
- of which business aggregation operations	-	-
C. Reductions	**375**	**1,662**
C.1 Liquidations performed	237	1,641
C.2 C.2 Other reductions	138	20
- of which business aggregation operations	-	-
D. Closing balance	**5,323**	**5,391**
Total	**5,323**	**5,391**

9.2 Other information

There is no further information to be provided.

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 12/31/2025	Total 12/31/2024
1. Funds for credit risk related to financial obligations and warranties	-	4
2. Funds on other obligations and warranties release	-	-
3. Funds of business retirement	1,026	1,122
4. Other funds for risks and obligations	25,006	16,684
4.1 legal and fiscal controversies	1,267	1,837
4.2 obligations for employees	3,116	-
4.3 others	20,623	14,847
Total	**26,032**	**17,810**

10.2 Provisions for risks and charges: annual changes

		Pensions and post retirement benefit obligations	Other risk and obligation funds	Total
A. Initial existence	**-**	**1,122**	**16,684**	**17,805**
B. Increases	**-**	**28**	**16,452**	**16,480**
B.1 Reserve of the fiscal year	-	-	10,862	10,862
B.2 Variation due to pass of time	-	-	-	-
B.3 Variation due to modifies of discount rate	-	28	-	28
B.4 Other variations	-	-	5,590	5,590
- of which business aggregation operations	-	-	-	-
C. Decreases	**-**	**124**	**8,130**	**8,254**
C.1 Use in the exercise	-	124	2,777	2,901
C.2 Variations due to modifies of discount rate	-	-	-	-
C.3 Other variations	-	-	5,353	5,353
- of which business aggregation operations	-	-	-	-
D. Final surplus	**-**	**1,026**	**25,006**	**26,032**

Increases:

- "Provisions for the year" relate to allocations recognised under the line item "Net allocations to provisions for risks and charges" and mainly consist of:
    - Clawback of fee income on insurance products amounting to EUR 3,021 thousand;
    - Dealer frauds amounting to EUR 1,500 thousand;
    - Charges relating to changes in residual values arising, compared with the original valuation, on vehicles under lease not yet repossessed, amounting to EUR 984 thousand;
    - Charges relating to complaints on the salary assignment product amounting to EUR 400 thousand;
    - Other estimated refunds to customers amounting to EUR 100 thousand;
    - Legal and tax disputes for the residual amount;
- "Other variations – other funds" relate to provisions recognised for early-exit incentives recorded under the line item "staff expenses".

Decreases:

- "Use in the year" mainly relates to:
    - Releases relating to default interest amounting to EUR 1,664 thousand;
    - Payments charged against the provision for charges relating to complaints on the salary assignment product amounting to EUR 113 thousand;
    - Releases/utilisation for legal disputes for the residual amount.
- "Other variations – other funds" relate to early-exit incentives for which contractual arrangements were finalised, with the related provision therefore being transferred to the line item "other liabilities".

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

The Group has no provisions for credit risk relating to commitments and financial guarantees given.

10.4 Provisions on other commitments and other guarantees given

The Group has no provisions on other commitments and other guarantees given.

10.5 Defined benefit pension plans

Corporate pension funds and similar obligations relating to the subsidiary Stellantis Financial Services Italia amount to EUR 1,026 thousand (EUR 1,122 thousand in 2024) and refer to:

- the "loyalty bonus indemnity" provision, under which employees transferred as part of the transfer of the business branch of the former FCA Bank S.p.A.; for any employee who leaves employment and has accrued the minimum length of service set out by the plan, payment is made of an amount equivalent to the loyalty bonus accrued pro rata as at 2 April 2023;
- the "length-of-service awards" provision, under which, for employees transferred as part of the transfer of the business branch of the former FCA Bank S.p.A., payment of a double monthly salary is provided upon reaching the first work anniversary of 25, 30, 35 and 40 years of service.

10.6 Provisions for risks and charges – other provisions

Other funds are broken down into:

- "Legal disputes": the provision is essentially set up to cover expected cash outflows on lawsuits with customers; allocations were made based on external legal opinions over an expected time horizon of four years;
- "Personnel expenses": the provision was set up for early-exit incentives of an uncertain nature, over an expected time horizon of one year;
- "Other" relates to allocation mainly intended to cover:
  - charges relating to the post-Lexitor application to the salary assignment product, relating to the Parent Company, amounting to EUR 7,023 thousand (EUR 7,023 thousand in 2024); for further details, please refer to the "Report on Group Operations– Matters of Note";
  - charges relating to complaints on the salary assignment product, relating to the Parent Company, amounting to EUR 1,487 thousand (EUR 1,200 thousand in 2024); for further details, please refer to the "Report on Group Operations– Matters of Note";
  - other estimated refunds to insurance companies arising from the Opel portfolio and other Stellantis brands, relating to the subsidiary Stellantis Financial Services Italia, amounting to EUR 4,416 thousand (EUR 1,395 thousand in 2024);
  - charges for future management relating to operating leases, concerning the subsidiaries Santander Consumer Renting and Drive, amounting to EUR 2,671 thousand (EUR 2,731 thousand in 2024), over an expected time horizon linked to the life of the underlying contracts;
  - potential dealer frauds originating from Stellantis Financial Services amounting to EUR 1,500 thousand (not present in 2024);
  - charges relating to changes in residual values arising, compared with the original valuation, on vehicles under finance lease not yet repossessed, relating to the Parent Company, amounting to EUR 984 thousand (not present in 2024);
  - other estimated refunds to customers amounting to EUR 413 thousand (EUR 3,174 thousand in 2024), over an expected time horizon of three years.

Section 11 – Insurance liabilities – Item 110

The Group has no companies carrying out insurance business.

Section 12 – Redeemable shares – Item 130

The Group has no share redemption plans.

Section 13 – Group shareholder's equity – Items 120, 130, 140, 150, 160, 170 and 180

13.1 "Share capital" and "Treasury shares": breakdown

The Group's share capital consists of 573,000 ordinary shares, fully paid up and freed up.

No treasury shares are held.

For further information, please refer to the following section 13.3.

13.2 Share capital – Number of Parent Company shares: annual changes

Items/Types	Ordinaries	Others
A. Shares existing at the start of the fiscal year	**573,000**	**-**
-fully paid-up	573,000	-
- not fully paid-up	-	-
A.1 treasury shares (-)	-	-
A.2 Shares outstanding: Opening balance	**573,000**	**-**
B. Increases	**-**	**-**
B.1 New issues	-	-
- against payment:	-	-
- business combination transaction	-	-
- bonds conversions	-	-
- warrants executions	-	-
- others	-	-
- free:	-	-
- to employees	-	-
- to directors	-	-
- others	-	-
B.2 Sales of treasury shares	-	-
B.3 Other adjustments	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Business sale operations	-	-
C.4 Other adjustments	-	-
D. Shares in circulation: final surplus	**573,000**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares existing at the end of the fiscal year	573,000	-
-fully paid-up	573,000	-
- not fully paid-up	-	-

13.3 Share capital: other information

Share capital amounts to EUR 573,000 thousand and consists of ordinary shares with a par value of EUR 1,000 each.

The share premium reserve amounts to EUR 632 thousand and was not subject to changes during the year.

13.4 Profit reserves: other information

Profit reserves mainly comprise:

- legal reserve amounting to EUR 38,215 thousand (EUR 36,772 thousand in 2024);
- extraordinary reserve amounting to EUR 318,261 thousand (EUR 318,261 thousand in 2024);
- capital reserve amounting to EUR 39,913 thousand (EUR 39,913 thousand in 2024);
- consolidation reserve amounting to EUR 140,905 thousand (EUR 106,075 thousand in 2024).

13.5 Equity instruments: breakdown and annual changes

The Group has no equity instruments.

13.6 Other information

No other information is available.

Section 14 –Minority interests– Item 190

14.1 Details of item 190 “Minority interests”

Company name	Total	
	12/31/2025	12/31/2024
Investments in consolidated companies with significant minority interests		
1. Stellantis Financial Services Italia S.p.A.	459,404	445,915
2. Stellantis Renting Italia S.p.A.	4,959	4,106
3. TIMFin S.p.A.	32,766	30,876
4. Drive S.r.l	-	602
Total	**497,128**	**481,498**

14.2 Equity instruments: breakdown and annual changes

The Group has no equity instruments attributable to minority interests.

OTHER INFORMATION

1. Commitments and financial guarantees given

	Nominal value on financial release obligations and guarantees				Total	Total
	First stage	Second stage	Third stage	Purchased or originated impaired	12/31/2025	12/31/2024
1. Commitment to supply funds	**306,241**	**40**	**-**	**-**	**306,281**	**189,066**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	200
d) Other financial companies	982	-	-	-	982	353
e) Non-financial companies	216,157	40	-	-	216,196	186,469
f) Families	89,102	-	-	-	89,102	2,043
2. Financial guarantees issued	**-**	**-**	**-**	**-**	**-**	**-**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	-	-	-	-	-	-
e) Non-financial companies	-	-	-	-	-	-
f) Families	-	-	-	-	-	-

The line item "Loan commitment given" includes the amount of irrevocable commitments relating to factoring transactions and the available margins on credit lines granted to customers.

2. Other commitments and other guarantees given

	Nominal value	
	Total	Total
	12/31/2025	12/31/2024
Other guarantees issued		
of which: impaired	-	-
a) Central banks	-	-
b) Public Administration	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Other commitment		
of which: impaired	-	71
a) Central banks	-	-
b) Public Administration	861	861
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	1,314,310	177,505
f) Households	-	-

The line item "Other commitments" includes the amount of commitments under the Single Resolution Fund for the undisbursed portion and revocable commitments relating to wholesale facilities.

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amounts 12/31/2025	Amounts 12/31/2024
1. Financial assets designated at fair value through profit or loss	-	-
2. Financial assets at fair value through other comprehensive income	-	-
3. Financial assets valued to amortised cost	7,172,488	5,316,513
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

Assets pledged as collateral for own liabilities include:

- bank deposits;
- the receivables pool (ABACO);
- part of the loan portfolio subject to the securitisation transaction, as described in the Notes to the Consolidated Financial Statements – Part E.

4. Breakdown of investments backing unit-linked and index-linked insurance policies

The Group has no investments backing unit-linked and index-linked insurance policies.

5. Administration and brokerage on behalf of third parties

The Group has no brokerage on behalf of third parties.

6. Financial assets offset in the balance sheet, or subject to master netting agreements or similar agreements

Instrument type		Gross amount of financial assets (a)	Amount of financial liabilities compensated in balance sheet (b)	Net amount of financial assets reported in balance sheet (c=a-b)	Related amounts not recognised in Balance Sheet		Net amounts (f=c-d-e)	Net amounts
					Financial instruments (d)	Cash deposit received in guarantee (e)	12/31/2025	12/31/2024
1. Derivatives		24,443	-	24,443	-	29,392	(4,949)	31,831
2. Repo's		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**12/31/2025**	**24,443**	**-**	**24,443**	**-**	**29,392**	**(4,949)**	**X**
Total	**12/31/2024**	**39,516**	**-**	**39,516**	**-**	**7,686**	**X**	**31,831**

In accordance with IFRS 7, please note that derivative contracts outstanding at the balance sheet date are derivatives mainly with Banco Santander, with positive fair value, subject to an ISDA-based framework agreement and are thus subject to net settlement arrangements. However, no accounting offsetting is applied with derivatives with a negative balance of the same type.

In the column "Cash collateral received" the effect of the potential offsetting of the exposure against the related cash collateral is reported.

7. Financial liabilities offset in the financial statements, or subject to framework netting or similar agreements

Instrument type		Gross amount of the financial liabilities (a)	Amount of the financial assets compensed in BS (b)	Net amount of the financial liabilities reportes in BS (c=a-b)	Related amounts not recognised in Balance Sheet		Net amount (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit placed to warrant (e)	12/31/2025	12/31/2024
1. Derivatives		30,979	-	30,979	-	37,252	(6,273)	34,523
2. Repos		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Other operations		-	-	-	-	-	-	-
Total	**12/31/2025**	**30,979**	**-**	**30,979**	**-**	**37,252**	**(6,273)**	**X**
Total	**12/31/2024**	**42,858**	**-**	**42,858**	**-**	**8,336**	**X**	**34,523**

In accordance with IFRS 7, please note that derivatives outstanding at the balance sheet date are derivatives mainly with Banco Santander, with negative fair value, subject to an ISDA-type master agreement, which provides for netting on settlement. However, no accounting offsetting is applied with derivatives with a positive balance of the same type.

In the column "Cash deposits received/posted as collateral" the effect of the potential offsetting of the exposure against the related cash collateral is reported.

8. Securities lending transactions

The Group has no securities lending transactions.

9. Disclosure on joint arrangments

The Group has no joint arrangements.

Part C – Information on the consolidated income statement

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other operations	Total 12/31/2025	Total 12/31/2024
1. Financial assets valued to fv with impact to Profit and Loss:	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated to fv	-	-	-	-	-
1.3 Other financial assets mandatorly valued to fair value	-	-	-	-	-
2. Financial assets valued to fv with impact on overall profitability	93	114,240	X	114,333	56,991
3. Financial assets valued to amortize cost:	8,571	839,994	-	848,565	802,036
3.1 Credits to banks	-	2,740	X	2,740	2,803
3.2 Credits to clients	8,571	837,254	X	845,825	799,233
4. Hedging derivatives	X	X	18,902	18,902	64,413
5. Other assets	X	X	25,489	25,489	38,310
6. Financial liabilities	X	X	X	-	-
Total	**8,664**	**954,234**	**44,390**	**1,007,289**	**961,750**
of which: income interests on deteriorated financial assets	-	-	-	-	-
of which: interest income on financial lease	X	76,305	X	76,305	59,165

The line item "Other assets" consists of income arising from Cash and cash equivalents.

1.2 Interest income and similar income: other information

1.2.1 Interest income on foreign currency financial assets

The Group has no financial assets denominated in foreign currency.

1.3 Interest expense and similar charges: breakdown

Items/Technical forms	Debts	Securities	Other operations	Total 12/31/2025	Total 12/31/2024
1. Financial liabilities valued at amortized cost	311,961	229,638	X	541,598	595,664
1.1 Debts to central banks	-	X	X	-	35,922
1.2 Debts to banks	263,685	X	X	263,685	291,992
1.3 Debts to customers	48,276	X	X	48,276	63,357
1.4 Securities in circulation	X	229,638	X	229,638	204,393
2. Financial trading liabilities	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and funds	X	X	445	445	1
5. Hedging derivatives	X	X	14,248	14,248	305
6. Financial assets	X	X	X	142	119
Total	**311,961**	**229,638**	**14,693**	**556,433**	**596,089**
of which: interest expense on lease payables	355	X	X	355	364

Interest expense arising from the following line items:

- "Debts to banks" and "debt securities in issue" mainly comprise the funding provided by companies of the Santander Group, as well as market securitisation transactions, relating to the Parent Company and the subsidiary Stellantis Financial Services Italia, amounting to EUR 198,361 thousand (EUR 171,210 thousand in 2024);
- "Debts to customers" mainly comprise the cost of funding raised through deposit accounts, relating to the Parent Company, amounting to EUR 41,808 thousand (EUR 52,056 thousand in 2024), and for the residual portion the charges arising from factoring transactions and subordinated debts, relating to the subsidiary Stellantis Financial Services Italia;
- "Other liabilities and funds" mainly consist of charges arising from a settlement with the Italian Revenue Agency (Agenzia delle Entrate), relating to the Parent Company; for further information, please refer to the "Report of Group Operations– Matters of Note";
- "Financial assets" consist of charges arising from government securities, relating to the Parent Company.

1.4 Interest expense and similar charges: other information

1.4.1 Interest expense on foreign currency financial liabilities

The Group has no financial liabilities denominated in foreign currency.

1.5 Differentials relating to hedging transactions

Items	Totale 12/31/2025	Totale 12/31/2024
A. Positive differentials related to hedging operations:	18,902	64,413
B. Negative differentials related to hedging operations:	(14,248)	(305)
C. Balance (A-B)	**4,654**	**64,108**

Section 2 – Fees and commissions – Items 40 and 50

2.1 Fee and commission income: breakdown

Type of service/Values	Total 12/31/2025	Total 12/31/2024
	-	-
1. Securities placement	-	-
1.1 Under firm assumption and/or on the basis of an irrevocable commitment	-	-
1.2 Without firm commitment	-	-
2. Receipt and transmission of orders and execution for customers	-	-
2.1 Receipt and transmission of orders for one or more financial instruments	-	-
2.2 Execution of orders on behalf of customers	-	-
3. Other fees connected with activities related to financial instruments	-	-
of which: trading on own account	-	-
of which: management of individual portfolios	-	-
b) Corporate Finance	-	-
1. Merger and Acquisition Advice	-	-
2. Treasury services	-	-
3. Other fees associated with corporate finance services	-	-
c) Investment advisory activities	-	-
d) Clearing and settlement	-	-
e) Collective Portfolio Management	-	-
f) Custody and administration	-	-
1. Custodian bank	-	-
2. Other fees related to custody and administration	-	-
g) Central administrative services for collective portfolio management	-	-
h) Trust business	-	-
i) Payment services	40,009	34,917
1. Current accounts	-	-
2. Credit cards	12	63
3. Debit and other payment cards	-	-
4. Wire transfers and other payment orders	-	-
5. Other fees related to payment services	39,997	34,854
j) Distribution of third party services	210,087	173,616
1. Collective portfolio management	-	-
2. Insurance products	206,076	168,423
3. Other products	4,012	5,193
of which: individual portfolio management	-	-
k) Structured Finance	-	-
l) Servicing for securitization transactions	-	-
m) Commitments to disburse funds	-	-
n) Financial guarantees given	-	-
of which: credit derivatives	-	-
o) Financing operations	1,163	598
of which: for factoring transactions	-	-
p) Currency trading	-	-
q) Goods	-	-
r) Other commission income	3,474	3,324
of which: for management activities of multilateral trading systems	-	-
of which: for management activities of organized trading systems	-	-
Total	**254,733**	**212,455**

The line item “Other fee and commission income” mainly includes income recognised in respect of compensation for late payment, relating to the Parent Company.

2.2 Fee and commission expense: breakdown

Services/Amounts typology	Total 12/31/2025	Total 12/31/2024
a) Financial instruments	1,569	1,174
of which: trading of financial instruments	-	-
of which: placement of financial instruments	1,569	1,174
of which: management of individual portfolios	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	140	152
c) Management of collective portfolios	-	-
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	78	68
e) Payment and collection services	5,893	5,739
of which: credit cards, debit cards and other payment cards	401	428
f) Servicing activities for securitization transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	142	107
of which: credit derivatives	-	-
i) Off-site offering of financial instruments, products and services	126,492	103,568
j) Currency trading	-	-
k) Other commission expenses	1,349	2,272
Total	**135,663**	**113,081**

The line item “Off-site offering of financial instruments, products and services” mainly includes commissions paid for the placement of insurance products and contributions and indemnities accrued by the agents’ network.

Section 3 – Dividends and similar revenues – Item 70

3.1 Dividends and similar revenues: breakdown

The Group has no dividends.

Section 4 – Net trading income (loss) – Item 80

4.1 Net trading income (loss): breakdown

Transactions / Income	Capital gain (A)	Income from negotiation (B)	Capital loss (C)	Loss from negotiation (D)	Net result [(A+B) - (C+D)]
1. Financial trading assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equity stocks	-	-	-	-	-
1.3 O.I.C.R. shares	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**-**
4. Derivatives	**93,557**	**36,516**	**(94,726)**	**(37,718)**	**(2,371)**
4.1 Financial derivatives:	93,557	36,516	(94,726)	(37,718)	(2,371)
- On debt securities and interest rates	93,557	36,516	(94,726)	(37,718)	(2,371)
- On capital stocks and stock indexes	-	-	-	-	-
- On currency and gold	X	X	X	X	-
- Others	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to fv option	X	X	X	X	-
Total	**93,557**	**36,516**	**(94,726)**	**(37,718)**	**(2,371)**

This line item includes the net result of financial derivatives held for the purpose of hedging interest rate risk on securitisation transactions that do not meet the requirements to be classified as hedging derivatives, relating to the Parent Company and the subsidiary Stellantis Financial Services Italia.

Section 5 – Net gains (losses) on hedge accounting – Item 90

5.1 Net gains (losses) on hedge accounting: breakdown

P&L item/Values	Total 12/31/2025	Total 12/31/2024
A. Income from:		
A.1 Fair value hedging instruments	23,068	1,002
A.2 Financial assets hedged (fair value)	18,230	54,791
A.3 Financial liabilities hedged (fair value)	-	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income in hedge accounting (A)	**41,299**	**55,793**
B. Charges on		
B.1 Fair value hedging instruments	(4,259)	(38,668)
B.2 Financial assets hedged (fair value)	(40,311)	(19,114)
B.3 Financial liabilities hedged (fair value)	-	-
B.4 Cash-flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedging activity (B)	**(44,570)**	**(57,781)**
C. C. Net hedging activity (A-B)	**(3,272)**	**(1,988)**
of which: net gains (losses) of hedge accounting on net positions	-	-

This line item includes the ineffectiveness of macro fair value hedges, relating to the Parent Company and the subsidiary Stellantis Financial Services Italia.

Section 6 – Gains/losses on disposal/repurchase – Item 100

6.1 Gains (losses) on disposal/repurchase: breakdown

Items / Income	Total 12/31/2025			Total 12/31/2024		
	Gain	Losses	Net profit	Gain	Losses	Net profit
A. Financial assets						
1. Financial assets valued at amortised cost	13,617	(1,052)	12,565	14,568	-	14,568
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans and customers	13,617	(1,052)	12,565	14,568	-	14,568
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**13,617**	**(1,052)**	**12,565**	**14,568**	**-**	**14,568**
B. Financial liabilities valued at amortised cost	-	-	-	-	-	-
1. Deposits with banks	-	-	-	-	-	-
2. Deposits with customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

The line item "Loans and advances to customers" is represented by the balance of disposals to third parties of without-recourse NPL receivables in write-off under management:

- the gains mainly relate to the Parent Company;
- the losses relate to the subsidiary TIMFIn.

For further information, please refer to the “Report on Group Operations– Matters of Note”.

Section 7 – Net result of other financial assets and liabilities measured at fair value through profit or loss – Item 110

The Group has no financial assets or liabilities measured at *fair value*.

Section 8 – Net impairment losses/recoveries for credit risk – Item 130

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

Transactions/Income	Adjustments (1)						Write - backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	12/31/2025	12/31/2024
			Write-off	Others	Write-off	Others						
A. Credit to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans	-	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**(31,945)**	**(30,873)**	**(42,030)**	**(99,328)**	**-**	**-**	**22,156**	**15,464**	**25,620**	**-**	**(140,936)**	**(126,493)**
- Loans	(31,945)	(30,873)	(42,030)	(99,328)	-	-	22,156	15,464	25,620	-	(140,936)	(126,493)
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(31,945)**	**(30,873)**	**(42,030)**	**(99,328)**	**-**	**-**	**22,156**	**15,464**	**25,620**	**-**	**(140,936)**	**(126,493)**

For further details on movements, please refer to the Report on Group Operations– E1 – Economic performance and to the Notes to the Consolidated Financial Statements – Part E – Information on risks and related hedging policies.

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

Transactions/Income	Adjustments (1)						Write - backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originates impaired		
	First stage	Second stage	Write-off	Altre	Write-off	Altre					12/31/2025	12/31/2024
A. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Financing	**(984)**	**(43)**	**-**	**-**	**-**	**-**	**578**	**13**	**25**	**-**	**(412)**	**(617)**
- To clients	(984)	(43)	-	-	-	-	578	13	25	-	(412)	(617)
- To banks	-	-	0.00	0.00	0.00	0.00	-	-	-	-	-	-
Total	**(984)**	**(43)**	**-**	**-**	**-**	**-**	**578**	**13**	**25**	**-**	**(412)**	**(617)**

Section 9 – Gains/losses from contractual modifications without derecognition – Item 140

The Group has no gains/losses from contractual modifications without derecognition.

Section 10 – Insurance service result – Item 160

The Group has no companies carrying out insurance business.

Section 11 – Balance of financial income and expenses relating to insurance operations – Item 170

The Group has no companies carrying out insurance business.

Section 12 – Administrative expenses – Item 190

12.1 Personnel expenses: breakdown

Type of expense/Amounts	Total 12/31/2025	Total 12/31/2024
1) Dependent staffs	**(104,195)**	**(87,269)**
a) wages and salaries	(66,075)	(60,754)
b) social obligation	(18,983)	(17,699)
c) Severance pay	-	(3)
d) Social security costs	(4)	(3)
e) reserve to staff severance indemnity	(156)	(351)
f) reserve to retirement fund and similar obligations	(28)	(38)
- defined contribution	-	-
- defined benefit	(28)	(38)
g) deposit to external complementary welfare funds:	(5,029)	(5,226)
- defined contribution	(5,029)	(5,226)
- defined benefit	-	-
h) Expenses resulting from share based payments	-	-
i) other employee benefits	(13,920)	(3,194)
2) Other staffs in activity	**(3,154)**	**(2,880)**
3) Managers and statutory auditors	**(843)**	**(779)**
4) Staffs collocated to retirement	**-**	**-**
Total	**(108,192)**	**(90,929)**

The line item "Other employee benefits" increased compared to the previous year due to early-exit incentives carried out during the year; for further details, please refer to the "Report of Group Operations– Matters of Note".

12.2 Average number of employees by category

	12/31/2025	12/31/2024
Employees:		
a) Senior managers	39	35
b) Managers	341	335
of which 3rd and 4th level	*72*	*63*
c) Remaining employees staff	758	777
Total	**1,138**	**1,147**
Other personnel	**20**	**20**

12.3 Defined-benefit pension plans: costs and revenues

Please refer to the Notes to the Consolidated Financial Statements – Part B – Section 10 – Provisions for risks and charges.

12.4 Other employee benefits

	12/31/2025	12/31/2024
Ancillary staff expenses (health insurance, luncheon vouchers and other minor benefits)	3,459	3,012
Incentive plan reserved for managers and middle managers	10,461	183
Cost of allocation of share by the parent company to employees		
Total	**13,920**	**3,194**

12.5 Other administrative expenses: breakdown

Type of service/Amounts	Total 12/31/2025	Total 12/31/2024
IT expenses	**18,555**	**22,568**
Hardware	514	100
Software	16,517	20,604
Outsourcing	522	822
Telephone and data transmission	1,002	1,042
Taxes and duties	**14,558**	**14,251**
Professional services	**48,518**	**39,342**
Legal and notary advice	1,191	1,235
Outsourcing	39,657	32,823
Other professional services	7,669	5,283
Advertising, marketing and communication	**5,928**	**6,445**
Expenses related to credit risk	**19,709**	**18,320**
Information and certificates	2,216	2,316
Credit recovery	17,493	16,003
Litigation expenses not covered by provisions	**1,304**	**1,358**
Real estate expenses	**1,366**	**1,714**
Passive rent	196	194
Other real estate expenses	1,170	1,520
Leasing expenses	**123**	**420**
Other admininstrative expenses	**15,530**	**18,538**
Postal and archiving	1,868	2,459
Other non-professional goods and services	2,822	2,911
Insurance premiums	7,172	6,382
Resolution Fund contribution	-	16
FITD contribution	163	2,007
Other expenses	3,506	4,763
Total	**125,591**	**122,955**

The line item “IT expenses” decreased due to the cessation of non-recurring costs incurred in 2024 relating to the Parent Company.

The line item “Professional service – Outsourcing” increased due to higher costs arising from services provided by Group companies, mainly relating to the subsidiaries Stellantis Financial Services Italia and Stellantis Renting.

The line item “Insurance premiums” mainly includes charges relating to the guarantee received for credit protection under the SRT (Significant Risk Transfer) synthetic securitisation transaction, relating to the subsidiary Stellantis Financial Services Italia.

The line item “FITD contribution” decreased due to a lower contribution request by the consortium, relating to the Parent Company.

Section 13 – Net provisions for risks and charges – Item 200

13.1 Net provisions for credit risk on loan collateral and financial guarantees given: breakdown

	Additions	Uses	Net provision 12/31/2025	Net provision 12/31/2024
Net provision on commitment and financial guaranties	-	4	4	(4)

13.2 Net provisions relating to other commitments and other guarantees given: breakdown

The Group has no other commitments and other guarantees given.

13.3 Net provisions for other risks and charges: breakdown

	Additions	Uses	Net provision 12/31/2025	Net provision 12/31/2024
Net personnel expense provision	- €	- €	- €	- €
Net provision for legal disputes	(671)	1,360	689	(211)
Other provisions	(7,011)	1,974	(5,037)	43
Totale	**(7,682)**	**3,334**	**(4,348)**	**(168)**

For further details, please refer to the "Notes to the Consolidated Financial Statements – Part B – Provisions for risks and charges".

Section 14 – Net impairment losses/recoveries on property, plant and equipment – Item 210

14.1 Net impairment losses/recoveries on property, plant and equipment: breakdown

Asset	Depriciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, equipment and investment property				
1. For operational use	(30,036)	(2,125)	-	(32,161)
- Owned	(27,770)	(2,125)	-	(29,895)
- Licenses acquired through lease	(2,267)	-	-	(2,267)
2. Held for investment	-	-	-	-
- Owned	-	-	-	-
- Licenses acquired through lease	-	-	-	-
3. Inventories	X	-	-	-
Total	**(30,036)**	**(2,125)**	**-**	**(32,161)**

Section 15 – Net impairment losses/recoveries on intangible assets – Item 220

15.1 Net impairment losses/recoveries on intangible assets: breakdown

Asset/Income	Amortization (a)	Impairment losses (b)	Write-backs (c)	Net profit (a + b - c)
A. Intangible assets				
of which: software	(9,212)	-	-	(9,212)
A.1 Owned	(23,716)	-	-	(23,716)
- Generated internally by the company	-	-	-	-
- Other	(23,716)	-	-	(23,716)
A.2 Licenses acquired through lease	-	-	-	-
Total	**(23,716)**	**-**	**-**	**(23,716)**

Section 16 – Other operating income and expenses – Item 230

16.1 Other operating expenses: breakdown

	Total 12/31/2025	Total 12/31/2024
Amortization on improvements (not separable) on real estates	**377**	**566**
Expenses related to leasing transactions	**86,679**	**62,786**
Operating	27,694	9,333
Finance	58,985	53,453
Other	**21,976**	**13,565**
Fraud	2,058	1,227
Expenses on claims	7,240	4,705
Other	13,229	7,632
Total	**109,583**	**76,916**

The line item “other expenses” mainly includes charges relating to non-financial services pertaining to the subsidiary Stellantis Renting Italia.

16.2 Other operating income: breakdown

	Total 12/31/2025	Total 12/31/2024
Recovery of expenses	**76,037**	**44,449**
Tax	11,616	11,634
Deposits and Current accounts	208	258
Operating leases	56,652	24,833
Other	7,560	7,724
Rental assets	**14**	**13**
Other	**100,633**	**87,732**
Group entities	211	15
Operating leases	2,805	655
Finance leases	42,895	32,643
Other	54,722	54,419
Total	**176,683**	**132,194**

The line item “Other – Other” includes:

- income relating to non-financial services pertaining to the subsidiary Stellantis Renting Italia.

- servicing fees and expense reimbursements from the JV Hyundai Capital Bank Europe GmbH – Italian branch, classified under this sub-item as it is not part of the Santander Consumer Bank group, amounting to EUR 16,013 thousand (EUR 13,739 thousand in 2024).
- a non-recurring insurance reimbursement amounting to EUR 4,004 thousand related to an event that occurred in 2024.

Section 17 – Gains/losses on equity investments – Item 250

The Group holds no investments other than those included in the scope of consolidation.

Section 18 – Net result of the fair value measurement of property, plant and equipment and intangible assets – Item 260

The Group has no property, plant and equipment or intangible assets measured at *fair value*.

Section 19 – Impairment on goodwill – Item 270

The Group has no goodwill.

Section 20 – Gains/losses on disposal of investments – Item 280

Income/Sectors	Total 12/31/2025	Total 12/31/2024
A. Assets	-	-
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets	(441)	(813)
- Gains on disposal	76	55
- Losses on disposal	(517)	(868)
Net profit	**(441)**	**(813)**

Section 21 – Income taxes for the year on continuing operations – Item 300

21.1 Income taxes for the year on continuing operations: breakdown

Income components/Sectors	Total 12/31/2025	Total 12/31/2024
1. Current tax expense (-)	(73,902)	(41,406)
2. Change of current taxes of previous years (+/-)	(752)	620
3. Reduction in current tax for the period (+)	-	-
3. bis Reductions in current tax expense for the period due tax credit related to L. 214/2011 (+)	35,448	17,265
4. Change of deferred tax assets (+/-)	(32,970)	(17,211)
5. Change of deferred tax liabilities (+/-)	(316)	(549)
6. Tax espense for the year (-)	**(72,493)**	**(41,281)**

21.2 Reconciliation between theoretical and effective tax expense

	12/31/2025	12/31/2024
Profit (loss) from continuing operations before tax	208,155	143,636
Profit before tax on discontinuing operations		
Theoretical taxable income	**208,155**	**143,636**
IRES - Theoretical tax charge	(69,750)	(43,815)
- effect of income and expenses that do not contribute to the tax base	1,510	10,844
- effect of expenses that are wholly or partially non-deductible	8,996	(802)
- variation in taxes from previous financial years	1,876	689
- Other	0	
IRES - Effective tax burden	**(57,369)**	**(33,084)**
IRAP - Theoretical tax charge	(14,339)	(9,033)
- portion of non-deductible administrative expenses, depreciation and amortisation	(707)	(432)
- portion of non-deductible interest expense	(766)	(794)
- effect of income and expenses that do not contribute to the tax base	2,313	3,900
- effect of expenses that are wholly or partially non-deductible	(2,469)	(3,405)
- variation in taxes from previous financial years	(664)	1,567
- Other	1,509	
IRAP - Effective tax burden	**(15,124)**	**(8,197)**
Effective tax burden as shown in the financial statements	**(72,493)**	**(41,281)**

The line item "effects of income and expenses that modify the taxable base" includes benefits relating to the Patent Box regime.

The line item "other" includes the remeasurement of deferred tax assets related to the increase in IRAP; for further information, please refer to the "Report on Group Operations– Matters of Note".

Section 22 – Profit (loss) after tax from discontinued operations – Item 320

The Group does not have any profit or loss associated with assets held for sale and discontinued operations..

Section 23 – Net profit (loss) pertaining to minority interests – Item 340

23.1 Details of item 340 "Net profit (loss) pertaining to minority interests"

Company name	Total	
	12/31/2025	12/31/2024
Investments in consolidated companies with significant minority interests		
1. Stellantis Financial Services Italia S.p.A.	54,602	37,078
2. Stellantis Renting Italia S.p.A.	2,355	2,316
3. TIMFin S.p.A.	1,888	528
4. Drive S.r.l	0	(914)
Other investments	-	-
Total	**58,845**	**(39,008)**

Section 24 – Other information

Disclosure on public grants pursuant to Article 1, paragraph 125 of Italian Law No. 124 of 4 August 2017 ("Annual law for the market and competition")

In Article 35 of Decree-Law No. 34/2019 ("Growth Decree"), converted into Law No. 58/2019, the transparency rules on public grants set out in Article 1, paragraphs 125-129 of Law No. 124/2017 were reformulated. The reformulation identified as subject to the transparency obligations the information relating to grants, subsidies, advantages, contributions or aid, in cash or in kind, "not of a general nature and lacking any consideration, remuneration or compensation nature", actually provided by public administrations as well as by the entities referred to in Article 2-bis of Legislative Decree No. 33/2013.

In light of such reformulation, further interpretative clarifications provided by Assonime Circular No. 32 of 23 December 2019 confirmed that the object of the transparency obligation is the attribution of economic advantages deriving from a bilateral relationship between a public entity and a specific beneficiary. Sums received by the company as consideration for a service performed or as remuneration for an assignment received, or amounts due for compensation purposes, are expressly excluded. Also excluded are economic advantages received under a general regime, such as, for example, tax benefits or contributions accessible to all entities meeting certain conditions.

In light of the above, in the 2025 financial year, the Group received public contributions for EUR 213 thousand.

For completeness, reference is also made to the National Register of State Aid, publicly accessible on its website, where Aid measures and the related individual Aid granted and recorded in the system by the Managing Entities are published.

Section 25 – Earnings per share

25.1 Average number of ordinary shares on a diluted basis

	Number	Days	Weighted number
Opening balance	573,000	365	573,000
Issue of new shares	-	-	-
Total			**573,000**

25.2 Other information

Profit (loss) for the year	135,662,106
Basic earnings per share	**204.69**

Profit (loss) for the period pertaining to the Parent Company	76,816,789
Basic earnings per share	**134.06**

There are no instruments that could potentially dilute future basic earnings per share.

Part D – Consolidated comprehensive income

Detailed statement of consolidated comprehensive income

	Items	12/31/2025	12/31/2024
10.	**10. Profit (Loss) income**	**135,662**	**102,355**
	Other income components net of taxes without reversal to the income statement connected with:	**(45)**	**7**
20.	20. Equity securities designated at fair value with an impact on total profitability	-	-
	a) change in fair value	-	-
	b) transfers to other components of equity (canceled equity securities)	-	-
30.	30. Financial liabilities designated at fair value with impact on the income statement (changes in creditworthness):	-	-
	a) change in fair value	-	-
	b) transfers to other components of equity	-	-
40.	40. Coverage of equity securities designated at fair value with an impact on total profitability:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	50. Material activities	-	-
60.	60. Intangible assets	-	-
70.	70. Defined benefit plans	(37)	(2)
80	80. Non-current assets held for sale:	-	-
90.	90. Share of valuation reserves of investments valued at equity:	-	-
100.	100.	-	-
110.	110. Income taxes relating to other income components without reversal to the income statement	(8)	9
	Other income components with reversal to the income statement:	**1,070**	**59**
120.	120. Coverage of foreign investments:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
130.	130. Exchange differences:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
140.	140. Coverage of financial flows:	1,609	-
	a) fair value variations	1,609	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
	of which: result of net positions	-	-
150.	150. Hedging instruments [non-designated elements]:	-	-
	a) fair value variations	-	-
	b) transfer to the income statement	-	-
	c) other variations	-	-
160.	160. Financial assets (other than equity securities) measured at fair value with an impact on total profitability:	38	88
	a) fair value variations	38	88
	b) transfer to the income statement:	-	-
	1. adjustments for credit risk	-	-
	2. gains/losses from realization	-	-
	c) other changes:	-	-
170.	170. Non-current assets held for sale:	-	-
	a) changes in fair value - WITH reversal to P&L	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
180.	180. Share of valuation reserves of investments valued at equity:	-	-
	a) changes in fair value - WITH reversal to P&L	-	-
	b) transfer to income statement:	-	-
	1. impairment adjustments	-	-
	2. gains/losses from realization	-	-
	c) other changes (net business combination transactions and consolidation method change) - WITH reversal to P&L	-	-
190.	190.	-	-
	a) fair value variations	-	-
	b) transfer to the income statement	-	-
	c) other variations	-	-
200.	200.	-	-
	a) fair value variations	-	-
	b) transfer to the income statement	-	-
	c) other variations	-	-
210.	210. Income taxes relating to other income components with reversal to the income statement	(578)	(29)
220.	**220. Total other income components**	**1,025**	**66**
230.	**230. Overall profitability (10 + 220)**	**136,687**	**102,421**
240.	Consolidated comprehensive income attributable to minorities	58,813	39,023
250.	**Consolidated comprehensive income attributable to Parent Company**	**77,874**	**63,398**

Part E – Information on risks and related hedging policies

Introduction

Risk governance within the Santander Consumer Bank Group (hereinafter, the Group) has remained highly relevant, in line with the macroeconomic context and with what is required by prudential supervisory regulatory principles, through the management and control of risks as a condition for ensuring reliable and sustainable value generation in a controlled-risk environment.

The risk management strategy for all companies included within the scope of control, which includes the JVs Stellantis Financial Services Italia, Stellantis Renting Italia, TIMFin, Drive and Santander Consumer Renting, aims at a comprehensive and consistent view of risks, considering both the macroeconomic scenario and the risk profile, fostering the growth of risk culture and strengthening a transparent and accurate representation of the riskiness of the portfolios held, ensuring adequate organisational and methodological safeguards consistent with the regulatory and operating environment.

The policies guiding risk taking and risk governance are approved by the respective Boards of Directors (BoD), while the BoD of the SCB Parent Company, in addition to the Risk Appetite Framework (RAF) thresholds specific to the Parent Company, approves the thresholds relating to capital metrics. In performing its functions, the BoD of the SCB Parent Company is supported by established specialist committees, including the Board Risk Committee, which supports the Board of Directors on risk matters, thereby enabling it to take appropriate decisions on risk governance. In addition, there are established management committees, including the Risk Executive Committee, chaired by the Chief Executive Officer (CEO), with the Chief Risk Officer (CRO), the Head of Administration and Controls and the Head of Finance as permanent members.

The organisational structure adopted by both the Parent Company and the subsidiaries allows for adequate coordination of activities at Group level and effective risk management in all its main areas, starting from the definition of tools for risk analysis and measurement (in collaboration with the methodology functions of the Spanish Parent Company), the definition of policies and strategies for acceptance and control of existing risks, and the ongoing balancing between long-term strategic objectives and short-term profit objectives. Furthermore, at the subsidiaries, the presence of a hierarchical reporting line to the Board of Directors (BoD) ensures the independence of the function.

The risk appetite of the SCB Parent Company and, more generally, of the Group, is represented in the RAF, a strategic tool organised and structured to present to the governing bodies the main risks to which a company is exposed and the level of such risks it is willing to assume under current conditions and under stress conditions. The document therefore outlines and applies the Target Risk framework defined for the Bank and for the Group. For the latter, in particular, in order to ensure an adequate safeguard, in addition to capital metrics, certain metrics for monitoring results, concentration and operational risk have also been introduced in the monitoring.

The overall risk profile derives from the general principles defined in the risk policies and is articulated in a limit structure designed to ensure compliance with minimum levels of solvency, liquidity and profitability, including under stress conditions.

The general principles guiding the risk-taking strategy are inspired by the optimisation and protection of economic results, pursuing income generation without affecting the maintenance of adequate capitalisation levels and with a conscious assumption and measurement of the risks undertaken.

The risk appetite of the SCB Parent Company and its subsidiaries is formulated in accordance with the following requirements and characteristics:

- reflects an aggregated view and applies to all business units (functional areas);
- considers the main types of risk that affect the development of the Group's activities;
- is forward-looking with respect to the Group's risk profile under various circumstances, considering stress tests and scenario analyses;
- is not static, adapting to the changing business environment;
- combines quantitative and qualitative principles;
- is concise and easy to communicate to Senior Management and external counterparties (*stakeholders*);
- allows for a structured comparison between the risk profile and risk appetite;

- is linked to the overall corporate strategy and to other corporate tools or processes that allow risks to be planned, assessed and monitored, including those aimed at defining the budget, liquidity/funding and capital;
- is integrated into the Bank's ordinary risk management, through its link with existing policies and limits.

In summary, the objectives are:

- maintaining expected profitability within the established parameters;
- prudent risk management through continuous monitoring of the managed portfolios;
- funding management aimed at increasing the diversification of funding sources;
- control/optimisation of operating costs, to be achieved through strict monitoring of the forecasting/assessment/authorisation process and rationalisation of processes;
- maintaining capitalisation levels in line with current regulations and with the constraints imposed by the Supervisory Authorities, as well as in line with the objectives shared with the Spanish Parent Company;
- developing and updating the Company's professional skills in light of ongoing regulatory changes, an increasingly competitive market context and the strategies of the Santander Group.

Risk culture

In line with what has been done in previous years, the Group pays the utmost attention to the dissemination and sharing of risk culture, both through periodic updates of the documents prepared and through initiatives implemented to address the specific topics from time to time, also together with the Spanish Parent Company. In this regard, the SCB Parent Company, through the corporate "SCORE" programme (Santander Consumer Risk Excellence) developed with the support of the Spanish Parent Company, carried out initiatives aimed at spreading knowledge of the risks to which the Bank is exposed, the behaviours to adopt to mitigate them and, finally, the tools to monitor and improve them. The initiatives, structured across several areas and with cross-cutting impacts across the entire Bank, involved both Top Management and other areas of the Bank.

Through the annual implementation of the programme, significant improvements have been made both in terms of processes and of controls performed. Achievement of the programme itself, confirming its relevance, is an integral part of the objectives assigned to Top Management. The risk management approach adopted is geared towards an increasingly integrated and consistent management of risks, considering both the macroeconomic scenario and the Group's risk profile, and also fostering the growth of risk culture through a widespread and transparent representation of the riskiness of portfolios.

Organisation and risk governance

Credit risk represents the main type of risk to which the Group is exposed and is associated with the probability that the counterparty granted credit may not be able to meet its contractual obligations, thereby generating potential future losses.

In this operating context and in accordance with the provisions in force on the Internal Control System (Bank of Italy Circular No. 285 of 17 December 2013 and subsequent updates), the Group has adopted an organisational and operating structure adequate for its assigned objectives, including within its structure the IT & Cyber function for appropriate second-level oversight of the corresponding risks. The structure has also been consolidated and amended within the individual units, also taking into account the entry into force of accounting standard IFRS 9, and has been further strengthened with the entry into force of the New Default Definition pursuant to Article 178 of EU Regulation No. 575/2013 and with the update of the definitions of impaired credit exposures, in order to ensure adequate risk oversight, with particular reference to the definition of credit valuation and classification policies, the development of second-level controls and the monitoring of positions in the assigned stages.

Starting from January 2021, in accordance with what is required by the regulations (EBA/GL/2016/07 "Guidelines on the application of the definition of default under Article 178 of EU Regulation No. 575/2013" and EBA/RTS/2016/06 "Regulatory technical standards on the materiality threshold for credit obligations past due", which supplement Commission Delegated Regulation (EU) No. 171/2018 of 19 October 2017), the new European rules on the classification of borrowers in "default" entered into force, i.e. borrowers who are no longer able to fulfil the commitments undertaken with the Bank and are therefore "in default".

The rules described above established stricter criteria and methods for classification as default compared to those adopted so far, with the aim of harmonising regulation across the different countries of the European Union. The regulations affect both companies and individuals with access to credit and provide that each institution automatically classifies the exposure as "default" when a materiality threshold, expressed in absolute and relative terms, is exceeded, taking into account the total amount of exposures that the borrower has with the bank.

The materiality threshold is considered exceeded when the customer has an amount past due for more than 90 consecutive days:

- in the case of individuals and small and medium-sized enterprises, greater than EUR 100 (absolute component) and greater than 1% of the total exposures to the bank (relative component);
- in the case of large corporates, greater than EUR 500 (absolute component) and greater than 1% of the total exposures to the bank (relative component).

In addition to the above, the new provision that entered into force also introduced:

- the possibility that the classification as "default" of a position is propagated to all joint obligations with other debtors (e.g. joint accounts, partners acting as guarantors of partnerships, etc.);
- for customers experiencing financial difficulties, the possibility that any suspension of instalment payments, credit renegotiations or position consolidation transactions may result in its classification as a*Non Performing Loan* (NPL), i.e. an impaired loan.
- the prohibition of offsetting the customer's credit lines with overdrawn lines.

A customer who has regularised the past-due amounts, once at least 90 days have passed from such regularisations without any further past-due situations or other adverse events, will be removed from the non-compliance reporting.

The Group continued its activity of updating PD/LGD/EAD parameters through the implementation of the improvement points identified during validation activities and included in the annual review and recalibration activities aimed at maintaining the expected quality levels of the models in use. This activity was developed directly by the Parent Company's methodological study team with informational support from the local team. The updated and validated models were subjected to monitoring and*backtesting* activities in order to ensure an adequate calculation of economic impacts.

The organisational principles, aimed at providing the Group with an effective risk governance system, are focused on:

- ensuring the separation between operating and control functions;
- ensuring the identification, measurement and monitoring of the risks undertaken or that can be undertaken in the various operating areas;
- ensuring that any anomalies identified as a result of monitoring activities carried out by the designated control functions are promptly brought to the attention of the appropriate corporate levels, managed in a timely manner and recorded for subsequent checks.

To this end, the risk management and governance process adopted by the Group is based on an organisational structure that ensures an internal control system structured on three levels, in line with the banking supervisory regulations, consisting of:

- line controls (first-level controls): performed by the operating units themselves, in order to verify that the processes and tasks under their responsibility have been carried out in compliance with internal procedures. Where possible, this type of control is embedded in IT procedures;
- risk management controls (second-level controls): performed by the Risk Control Function in order to ensure the correct implementation of the risk management process, through the measurement and assessment of the level of risk undertaken and compliance with any limits assigned to operating areas;
- compliance controls (second-level controls): performed by the *Compliance*, Anti-Money Laundering and Customer Protection functions, which verify compliance with the internal and external regulations to which each Group unit is subject;
- internal audit controls (third-level controls): performed by the Internal Audit Department, whose task is to verify the orderly execution of processes (management/production, business/commercial and support/operations) and their compliance with established company standards, the overall correctness of operational behaviour and the suitability, in terms of

structure and operating rules, of the internal control system, as well as the adequacy and effectiveness of safeguarding systems in relation to the performance of the different risk families.

Each Group unit has adopted an organisational structure consistent with the principles listed above. In support of the adopted structures, the internal cross-functional committees set up within each Group component carried out the support and advisory activities provided for by the respective local regulations.

Key risks

The Group's risk profile is defined through the *risk assessment* activity carried out according to the methodologies issued by the Spanish parent company, applied according to a principle of proportionality to the individual Group units and also shared by the Cooperation, Risk Identification Assessment (RIA). The activity, which involves the direct involvement of the first line of defence and the supervision and support of the second line of defence, is performed at the beginning of the year and updated in the second half. In particular, the update carried out in the second half of the year is aimed at verifying the improvements achieved following the implementation of remediation actions identified in the first assessment phase. The RIA methodology makes it possible to identify and assess the risk profile of each individual Group unit by assigning a specific score taking into account:[1]

- the current risk level;
- the risk level deriving from the macroeconomic situation;
- exposure to potential specific risks.

The methodology also allows:

- identifying possible "emerging risks" so as to promote effective risk management and mitigation;
- obtaining a quantitative representation of the risks assumed as at the analysis date, based on the activities in place in the companies comprising the Group and on the development strategies implemented.

The result of the exercise carried out confirmed an overall risk profile, both for the Group and for the individual companies, classified as "medium-low", showing further improvement.

[1]Coordination group established between the Santander Group and the Stellantis Group for the governance of the JVs.

Section 1 – Accounting consolidation risks

Quantitative information

A. Credit quality

A.1 Performing and non-performing credit exposures: amounts, value adjustments, trends and economic distribution

A.1.1 Distribution of financial assets by portfolio and by credit quality (carrying amounts)

Portfolios/quality		Non-performing loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Performing exposures	Total
1. Financial assets valued to amortised cost		3,657	34,405	72,785	129,271	15,225,630	15,465,747
2. Financial assets at fair value through other comprehensive income		-	-	-	-	1,977,075	1,977,075
3. Financial assets designated to fair value		-	-	-	-	-	-
4. Other financial assets mandatorily valuated to fair value		-	-	-	-	-	-
5. Financial instruments classified as held for sale		-	-	-	-	-	-
Total	**12/31/2025**	**3,657**	**34,405**	**72,785**	**129,271**	**17,202,705**	**17,442,822**
Total	**12/31/2024**	**5,790**	**32,248**	**75,496**	**141,383**	**15,456,691**	**15,711,607**

For details on credit quality relating to exposures subject to forbearance measures included in the portfolio of financial assets measured at amortised cost, please refer to the following table A.1.5.

A.1.2 Distribution of financial assets by portfolio and by credit quality (gross and net values)

Portfolio/quality		Impaired				Not impaired			Total (net exposition)
		Gross exposure	Overall writedowns of value	Net exposure	Overall partial write-off*	Gross exposure	Overall writedowns of value	Net exposure	
1. Financial assets valued to amortized cost		286,347	(175,501)	110,846	-	15,448,432	(93,530)	15,354,901	**15,465,747**
2. Financial assets valued to fair value with impact on overall profitability		-	-	-	-	1,978,104	(1,029)	1,977,075	**1,977,075**
3. Financial assets designated to fair value		-	-	-	-	X	X	-	-
4. Other financial assets mandatorily valuated to fair value		-	-	-	-	X	X	-	-
5. Financial assets as held for sale		-	-	-	-	-	-	-	-
Total	**12/31/2025**	**286,347**	**(175,501)**	**110,846**	**-**	**17,426,535**	**(94,559)**	**17,331,976**	**17,442,822**
Total	**12/31/2024**	**291,943**	**(178,409)**	**113,534**	**-**	**15,681,099**	**(83,026)**	**15,598,073**	**15,711,607**

Portfolio/quality		Assets of obvious poor credit quality		Other assets
		Cumulated losses	Net exposure	Net exposure
1. Financial assets held for trading		-	-	56,455
2. Hedging Derivatives		-	-	17,502
Total	**12/31/2025**	**-**	**-**	**73,957**
Total	**12/31/2024**	**-**	**-**	**82,711**

B. Disclosure on structured entities (other than securitisation vehicles)

The Group does not hold positions in structured entities.

Section 2 – Prudential consolidation risks

1.1 Credit risk

Qualitative information

1. General aspects

Credit risk represents the risk associated with the probability that the counterparty granted credit is not able to meet its contractual obligations, thereby exposing the company to possible future losses, or otherwise experiences a deterioration in its creditworthiness that may compromise its future ability to fulfil its obligations.

The Group's strategies are aimed at:

- achieving a sustainable objective consistent with the Group's risk appetite and value creation, ensuring the quality of credit assets;
- portfolio diversification, limiting the concentration of exposures by counterparty/group, by sectors of economic activity or geographical areas;
- efficient selection of economic groups and individual borrowers, through careful analysis of creditworthiness aimed at containing the risk of default and mitigating the potentially related losses;

- constant monitoring of relationships and related exposures, carried out both through IT procedures and through systematic surveillance of positions showing irregularities, in order to promptly identify any signs of deterioration.

The Group's operations in Italy are characterised by a very high average number of customers, with medium/low exposure and a limited average residual duration. Specifically, the customer base can be distinguished as follows:

1) *end user (comprising both retail and corporate), to which products are offered in the following forms:*

- consumer credit:
  - car loans, loans aimed at purchasing vehicles, including motorcycles and mopeds, granted to customers who submit financing applications at dealers affiliated with the Bank. The amount is paid directly to the affiliated dealer. The customer undertakes to repay it according to a fixed-rate amortisation plan with constant instalments. The customer may take out insurance policies associated with the financing or the financed asset;
  - special-purpose loans, financing granted for the purchase of goods (other than cars) and/or the provision of services to customers channelled exclusively through the agency channel. They have the same repayment/contractual characteristics as car loans;
  - personal loans, loans granted directly to customers, have the same repayment/contractual characteristics as car and purpose loans. There is the possibility of taking out insurance policies associated with the financing;
  - End-of-Service Indemnity: the product consists of financing an advance on the End-of-Service Indemnity which, for public employees, is not paid at the time they retire, but only subsequently. At the end of their working life, public sector employees who have met the pension requirements are entitled to an End-of-Service Indemnity; however, it is paid by INPS in a maximum of 3 annual instalments (depending on the amount to be paid). With the new product, the Bank advances the entire amount to the customer immediately, net of interest and stamp duty, collecting repayment directly from INPS according to the scheduled instalments.
- consumer leasing: financial and operating leases, financing transactions carried out by the Bank (lessor) consisting of granting the use, for a certain period of time and against payment of a periodic consideration (instalment), of cars, commercial vehicles and motorcycles purchased or built by a third-party supplier, at the request of the lessor, based on the choice and indication of the customer (lessee with VAT number); the latter therefore assumes all risks and retains an option, at the end of the contractual term, to purchase the assets at a predetermined price and, if applicable, to extend their use under predetermined or determinable economic conditions. For leasing products, the typical risks of the financial lease transaction, excluding those resulting from any customer default, are of a contractual and economic-financial nature;
- salary assignment loans: a specific type of personal loan to be repaid through the assignment of portions of salary or pension up to one fifth of the amount of the remuneration net of withholdings. This product has a fixed maximum duration and a minimum duration that is usually not less than twenty-four months;
- credit cards: an open-ended credit line made available to the customer, which can be used in one or more transactions. The user undertakes to repay the amounts used and the accrued interest, respecting the minimum monthly instalment amount, while retaining the option to make payments of a higher amount. The portion of principal repaid reinstates the credit line and can therefore be reused by the customer. Interest rates are generally fixed, but Santander Consumer Bank has the right to modify the economic terms during the relationship, in compliance with the applicable regulations. The financing may be backed by guarantees;
- non-recourse factoring*;*
- insurance products that can be associated with financing;

2) *wholesale (*comprising *corporate),* supporting the *end user*segment, to which products are offered in the following forms:

- financing of warehouse stock;
- working capital financing and/or cash advances.

The distribution structures adopted, in line with the specific objectives of each Group company, are:

- affiliated dealers: through this channel, only in the form of purpose loans, car loans and leasing;
- agents: through this channel, personal loans, purpose loans (cars, furniture, etc.) and car leasing are granted;
- special agreements: this category includes production from third-party companies transferred to SCB according to the terms of agreements stipulated at national level;
- *internet:* through the Bank's website and certain selected specialised sites.

2. Credit risk management policies

2.1 Organisational aspects

The Risk Directorates, established within the individual Group companies, are dedicated to the management and control of credit risk through:

- the identification of adequate tools;
- the identification of strategic guidelines and the resulting management policies, continuously verifying their efficiency and effectiveness;
- the definition of tasks and responsibilities of the corporate functions and structures involved in processes, through adequate levels of segregation (in order to avoid possible conflicts of interest).

These are subject to oversight activities by the Italian Parent Company (SCB), which in turn is monitored by the Spanish Parent Company (SCF). Moreover, in order to ensure independence, for each Directorate a manager is appointed who reports directly to its own Board of Directors and to the Chief Risk Officer of SCF.

Finally, Internal Audit department carries out internal review activities aimed at identifying breaches of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality and reliability of the internal control system and information system, at a predetermined frequency in relation to the nature and intensity of risks.

2.2 Management, measurement and control systems

Credit risk is measured and monitored by the RAF (Risk Appetite Framework) both at Group level and at the level of the single entity.

The document is approved by the Board of Directors on a proposal from the Risk Directorates.

The areas that take on risks are also directly involved in the risk management process, in particular in order to:

- correctly identify new business opportunities, commensurate with an adequate risk profile, through the preparation of business plans and profitability and portfolio analyses;
- monitor specific concentration indicators both with respect to exposures classified as high risk or with ratings below threshold, and for the main commercial agreements managed.

The Group essentially manages two types of credit risk, namely *end user* and *wholesale*.

Taking into account the different nature of the customers, specific procedures are adopted in the main phases of the process development, structured as follows:

- acceptance of a financing request;
- monitoring and reporting;
- credit collection.

The process is organised according to a model aimed at ensuring a clear separation between disbursement responsibilities and risk management and control responsibilities, in order to avoid possible conflicts of interest, as well as between the functions responsible for the appraisal phase and commercial functions. In addition, credit granting powers are assigned to the various functions according to criteria of gradualness, calibrated according to different levels of responsibility along the hierarchical line.

It is specified that both categories mentioned are measured using the standardised approach pursuant to the CRR (EU Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013).

Ultimately, on a semi-annual basis, in compliance with its policies, the Group carries out stress tests with the purpose of verifying:

- capital adequacy;
- the adequacy of cumulative value adjustments;
- the sustainability of the business under plausible adverse scenarios.

2.3 Methods for measuring expected losses

The Group uses two different approaches to assess expected credit losses (ECL – Expected Credit Losses):

- individual assessment: mainly used for non end-user products (Wholesale and Fleet) of the subsidiaries Stellantis Financial Services Italia and Stellantis Renting Italia classified in Stage 2 and Stage 3, where the assessment depends on the SCAN (Santander Customer Assessment Note) classifications assigned to each position;
- collective assessment: for end-user products where the assessment depends on a statistical approach based on the product of exposure (EAD – Exposure At Default), probability of default (PD – Probability of Default) and loss given default (LGD – Loss Given Default).

EAD is determined based on the gross exposure of the financial asset / residual financial commitment, net of value adjustments on interest for *default*ed positions, and, where applicable, adjusted for credit risk mitigation techniques (CRM – *Credit Risk Mitigation*) recognised for regulatory purposes. It is specified that for the subsidiaries Stellantis Financial Services Italia and Stellantis Renting Italia, a "customer" exposure is used (i.e. the utilised amount as at the reference date).

PD is measured through the classification of credits into three different stages according to the deterioration in credit quality observed compared to initial recognition (SICR – *Significant Increase in Credit Risk*).

The assessment of a significant increase in risk is carried out by the Group on the basis of the observation of qualitative aspects, such as forborne status for consumer customers or positions under monitoring for wholesale products, and the past-due status.

The different stages and their main features are summarised below:

Stage	Description	PD Type
1	Regular exposures, for which no SICR is shown	Statistical calculation at 12 months
2	Regular and non-regular exposures (with continuous past due exceeding 30 days but less than what is required for classification in Stage 3), for which a SICR is highlighted.	Statistical calculation that covers the entire life of the credit (Lifetime).
3	Irregular exposures (with continuous overdue exposures over 90 days and exceeding the materiality thresholds) for which a SICR is highlighted. This category includes non-performing past due loans, probable defaults and non-performing loans.	1

In order to perform these assessments, portfolios are aggregated into risk classes based on days past due and other qualitative information (e.g. forbearance measures and SCAN).

In this context, the calculation of PD is based on the probability of transition between risk classes using the Markov transition matrix methodology, which uses:

- 10-year historical series, reparameterised to take account of the introduction in 2021 of the NDD (*New Default Definition*);
- RTOB (*Remaining Times On Book*)/Scheduled times on book/amount variables to take account of the financial characteristics of exposures;

- forward-looking information variables (e.g. future GDP trends) for plausible scenarios (which can be set as: extra positive/positive/neutral/negative/extra negative).

Lastly, LGD determination takes into account the following variables, in order to determine an LGD for the Non-*Defaulted*, Reversible *Defaulted* and Irreversible *Defaulted* portfolio:

- maximum time in *default*: the Bank assesses the maximum time horizon within which a contract is managed by recovery processes and defines the maximum time in default, based on the evolution of direct recoveries and sale policies;
- type of default: >90 days past due continuously/write-off;
- nature of default: reversible/irreversible;
- *cure rate: which determines the percentage of contracts that, after a default event, return to performing status;*
- recovery rate: based on recoveries from "irreversible default" starting from the date of the first material default;
- ELBE (*Expected Loss Best Estimate)*: which estimates the loss given *default* for a contract classified as default based on historical data;

In order to segment exposures more accurately, for certain categories clustering into homogeneous products by characteristics/performance is considered.

During the year, while not changing the ECL determination methodology, as usual the risk parameters were recalibrated, including the update of historical series and, in particular, macroeconomic scenarios, in addition to managing the post model adjustments indicated below, determined in previous years. The tool used to apply the principles described was developed and is periodically reviewed by the Spanish Parent Company for all Group units. The specificities of the Italian market were taken into account by making minimal changes to the tool and were subject to specific assessment by the independent Validation function.

The movements in post model adjustments and management overlays made in order to reflect potential impacts, in terms of riskiness, on certain specific customer/portfolio types, macroeconomic factors and to cover risks not directly "capturable" by the ECL calculation model are presented below.

Figures EUR million

	Remaining amount 31/12/2024	Release 2025	Provisions 2025	Remaining amount 31/12/2025
Generation 2023	(0.3)	0.3		
Generation 2024	0.5	(0.5)		
Generation 2025			(5.9)	(5.9)
Total	**0.2**	**(0.2)**	**(5.9)**	**(5.9)**
of which Parent Company	0.0	0.0	(4.2)	(4.2)

The Group shows a post model adjustment (PMA) value characterised by the reversal of the 2023 and 2024 vintages and, at the same time, by a significant generation in 2025. This latter change is attributable for EUR 4.2 million to the Parent Company, which mainly increased its provisions to anticipate the application of the new LGD model.

Assessment of significant increase in credit risk (SICR)

The assessment of a significant increase in risk is carried out by the Group on the basis of the observation of qualitative aspects, such as forborne status for consumer customers or positions under monitoring for wholesale products, and the past due status.

In addition, in 2024 the Group also introduced quantitative threshold and threefold criteria in the detection process.

For the determination of the thresholds for significant increase in risk (SICR), a statistical approach was adopted, based on the analysis of a historical sample representative of the portfolio. This sample was divided into homogeneous clusters, defined based on the probability of default at origination of the contracts, on which the quantile distribution of the difference between the probability of default at origination and at the observation date was calculated. Subsequently, the risk increase threshold was determined by identifying the variation level that maximised transitions to Stage 3, minimising returns to Stage 1, over a one-year time horizon indicative of a deterioration in credit quality. The application of this methodology implies that exceeding the thresholds defined in this way results, on a prudential basis, in the reclassification of the credit to Stage 2 in order to timely and adequately reflect the increase in risk. In addition to the threshold calculation methodology, the threefold backstop criterion was introduced. This criterion consists of verifying whether exposures have experienced an increase of more than 200% in the annualised probability of default from the observation date compared to the origination date, potentially leading to a reclassification of the credit to Stage 2.

Measurement of expected losses

The Group has not changed the calculation methodology for measuring expected losses, already reported previously.

2.4 Credit risk mitigation techniques

Credit risk mitigation techniques include those instruments that help reduce the loss (LGD) that would be incurred in the event of counterparty default.

With regard to counterparty risk mitigation for non-regulated OTC (Over The Counter) derivatives and for SFT (Securities Financing Transactions, i.e. repurchase agreements) transactions, the Group uses bilateral netting agreements that, in the event of counterparty default, allow the offsetting of receivable and payable positions.

This is achieved through the signing of ISDA (International Swap Derivatives Association) and ISMA (International Securities Market Association) agreements, which, in compliance with supervisory regulations, also allow a reduction in regulatory capital absorption.

In addition, the Group has collateral exchange agreements in place, mainly with daily frequency, to cover OTC derivatives transactions, also due to the margining obligation for non-centrally cleared derivatives provided for by EMIR regulations; for SFT transactions as well, the Bank enters into daily margining agreements (GMRA – Global Master Repurchase Agreements).

With regard to risk mitigation on financing, the types of collateral allowed by the credit policies in force are summarised below:

- real guarantees: mortgages;
- endorsement guarantees: bank, insurance, sureties;
- other forms: retention of ownership and *buy back obligation*.

The Group's portfolio is characterised by a low incidence of collateral, as shown in table "A.3 Distribution of secured credit exposures by type of collateral".

These mainly relate to the *wholesale* portion of the portfolio characterised by agreements with parent companies and *dealer*s.

The collateral acquired, although to a limited extent, provides coverage against *default* risk for granular portfolios and the release of economic and regulatory capital, as provided for by the current supervisory regulations on the matter (including EU Regulation No. 575/2013 and Bank of Italy Circular No. 285/2013, among others).

With regard to the technical-organisational procedures adopted, detailed processes govern the acquisition of individual collateral, identifying the responsible structures as well as the procedures for their proper perfection, for archiving documentation and for the complete and timely recording in the applications of the relevant information.

The set of internal regulations and organisational and procedural controls is aimed at ensuring that:

- all requirements are met for the validity and effectiveness of credit protection;
- for collateral of general and ordinary use, standard contractual documentation is defined, accompanied by complete instructions for its use;
- the approval procedures for collateral wording that deviates from the standards by structures other than those responsible for managing the commercial relationship with the customer are identified.

On an ongoing basis, the valuation of collateral is based on market value for financial instruments traded on a regulated market, or otherwise on an estimated realisable value. It is based on external databases and, where necessary, on specialised technicians.

Any forced realisation of collateral is handled by specialist structures responsible for credit collection.

3. Non-performing credit exposures

3.1 Management strategies and policies

Impaired credit exposures are monitored within the RAF through summary indicators continuously monitored by second-level functions:

- *Cost of credit*: measures the weight of net value adjustments compared to the Group's average portfolio;
- *NPL (Non Performing Loans) Ratio: measures the weight of impaired loans on the Group's total loan portfolio;*
- *Single Name: measures the level of individual exposures compared to the Group's net equity.*

The indicators presented express the credit reliability of the portfolio and allow traceability with the strategic plan/budget, risk policies and indicators in the contingency plan.

If significant misalignments from expectations emerge, whether due to endogenous or exogenous factors, the Group promptly updates its strategic guidelines.

During the year, the recorded figures were positive compared to the predefined strategic objectives.

Impaired credit exposures are also classified according to their degree of criticality:

- bad loans: exposures to a party in a state of insolvency (even if not judicially ascertained) or in substantially similar situations.
- unlikely to pay: exposures (other than those classified as bad loans) for which full repayment is deemed unlikely without considering recourse to actions such as enforcement of collateral.
- Non-performing past-due exposures: exposures other than those defined as bad loans or unlikely to pay, which, at the reference date, are past due or overdrawn continuously for more than 90 days and exceed both the materiality thresholds set out below:
  - absolute: equal to EUR 100 for *retail* exposures and equal to EUR 500 for exposures other than *retail*;
  - relative: greater than 1% of the borrower's exposure.

3.2 Write-off

The Group carries out write-offs (i.e. the write-off/cancellation of uncollectible accounting items) in the following cases:

- uncollectibility of the credit, resulting from clear and specific evidence (such as, by way of example, the debtor being untraceable and without assets, failed recoveries from enforcement actions, negative attachments, closed insolvency proceedings, where there are no further collateral that can be effectively enforced, etc.);
- sale of the credit;
- waiver of the credit, in connection with settlement agreements;
- without waiver of the credit. In order to avoid keeping on the balance sheet credits that, although still managed by the recovery structures, have very marginal recovery prospects, the credit is written off due to uncollectibility even without closing the legal case.

For quantitative details of *write-off*s recognised during the year, please refer to the table "A1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: dynamics of total write downs and total provisions".

3.3 Purchased or originated credit-impaired financial assets

Under IFRS 9, loans considered impaired from initial recognition in the balance sheet, due to the high associated credit risk, are defined as POCI (*Purchased or Originated Credit Impaired Asset)*.

Such loans, if falling within the scope of *impairment* under IFRS 9, are measured by recognising – from the initial recognition date – loss allowances covering the entire residual life of the loan (*Expected Credit Loss lifetime*). As they are impaired loans, initial recognition is provided under *Stage* 3, without prejudice to the possibility of being transferred during their life to *Stage* 2 if, based on credit risk analysis, they are no longer *impaired*.

For these exposures, IFRS 9 provides that:

- initial recognition at fair value;
- the estimate of expected credit loss is always quantified based on the expected loss over the entire life of the financial instrument;
- interest recognised in the accounts is determined by applying the "effective interest rate adjusted for credit risk" (so-called "EIR Credit Adjusted"), i.e. the rate that, at initial recognition, discounts all estimated future cash inflows to the amortised cost of the asset, taking into account, in the estimate, expected credit losses as well.

4. Financial assets subject to commercial renegotiations and exposures subject to forbearance measures

Forbearance measures represent those concessions granted to a borrower who is facing, or could be facing, difficulties in meeting its contractual commitments such that it is not able to meet its original payment commitments.

The term "concessions" refers both to contractual modifications granted to a borrower in financial difficulty and to the granting of new financing to enable settlement of the pre-existing obligation. Renegotiations carried out for commercial reasons/practices, regardless of the borrower's financial difficulty, are excluded from the definition of concessions.

The identification of exposures subject to forbearance measures, in line with EBA (European Banking Authority) regulations and, unlike the "per borrower" approach adopted by the Group, necessarily takes place according to a "per transaction" approach.

The Group's policy provides elements for the "cross-cutting" identification of financial difficulty which, in the presence of renegotiation/refinancing, to an extent greater than 1%, results in classification among forborne exposures in the case of:

- performing exposures: payment delays and a simultaneous significant deterioration in behavioural data coming from external databases (CRIF Credit Bureaux and the Bank of Italy Central Credit Register), with consequent classification in Stage 2;
- non-performing exposures: the state of financial difficulty is implicit.

Granted forbearance measures are monitored for minimum periods, differentiated according to the risk status assigned to the counterparty:

- performing exposures: 24-month *probation period*;
- non-performing exposures: 36 months, consisting of a 12-month *cure period* and a further 24-month *probation period*.

For quantitative details of forbearance measures outstanding during the year, please refer to the table "A 1.7bis - On-balance sheet credit exposures to customers: dynamics of gross exposures subject to forbearance measures broken down by credit quality".

Quantitative information

A. Credit quality

A.1 Performing and non-performing credit exposures: amounts, value adjustments, trends and economic distribution.

A.1.1 Prudential consolidation – Distribution of financial assets by past-due buckets (carrying amounts)

Portfolios / stages of risk		First step			Second step			Third step			Purchased or originated impaired		
		From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days
1. Financial assets valued at amortized cost		46,227	4,390	5,644	48,522	21,873	2,615	5,190	7,343	65,074	1	11	173
2. Financial assets valued at fair value with impact on overall profitability		-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-	-	-	-	-	-	-
Total	**12/31/2025**	**46,227**	**4,390**	**5,644**	**48,522**	**21,873**	**2,615**	**5,190**	**7,343**	**65,074**	**1**	**11**	**173**
Total	**12/31/2024**	**61,785**	**4,503**	**4,170**	**38,702**	**26,444**	**5,779**	**4,930**	**6,853**	**65,406**	**53**	**70**	**286**

A.1.2 Prudential consolidation – Financial assets, commitments to disburse funds and financial guarantees given: dynamics of total write downs and total provisions

Causal / risk stages	Total value adjustments											
	First stage activities						Second stage activities					
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns
Total opening adjustments	**-**	**47,983**	**578**	**-**	**-**	**48,561**	**-**	**34,452**	**13**	**-**	**2,032**	**32,432**
Changes in increase from financial assets acquired or originated	-	29,202	-	-	-	29,202	-	3,533	-	-	797	2,737
Cancellations other than write-offs	-	(10,830)	-	-	-	(10,830)	-	(3,016)	-	-	(122)	(2,894)
Net value adjustments / write-backs for credit risk (+/-)	-	(9,722)	408	-	-	(9,314)	-	7,289	30	-	(1,734)	9,053
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(104)	-	-	-	(104)	-	(5,257)	-	-	-	(5,257)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**56,529**	**986**	**-**	**-**	**57,515**	**-**	**37,001**	**43**	**-**	**973**	**36,071**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	(5,978)	-	-	-	(5,978)	-	(6,003)	-	-	-	(6,003)

Causal / risk stages	Total value adjustments											Total provisions on commitments to disburse funds and financial guarantees issued				Tot.
	Activities included in the third stage						Attività fin. impaired acquisite o originate									
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	First stage	Second stage	Third stage	Commitments to provide funds and financial guarantees issued	
Total opening adjustments	**-**	**176,718**	**26**	**-**	**15,243**	**161,501**	**1,665**	**-**	**-**	**1,665**	**-**	**4**	**1**	**-**	**-**	**261,439**
Changes in increase from financial assets acquired or originated	-	7,631	-	-	4,377	3,254	X	X	X	X	X	-	-	-	-	40,366
Cancellations other than write-offs	-	(24,306)	-	-	(4,342)	(19,964)	(66)	-	-	(66)	-	-	-	-	-	(38,217)
Net value adjustments / write-backs for credit risk (+/-)	-	92,465	(26)	-	126	92,314	21	-	-	21	-	(4)	(1)	-	-	90,461
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(78,629)	-	-	(3)	(78,627)	-	-	-	-	-	-	-	-	-	(83,990)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**173,880**	**-**	**-**	**15,401**	**158,479**	**1,621**	**-**	**-**	**1,621**	**-**	**-**	**-**	**-**	**-**	**270,060**
Recoveries from financial assets subject to write-off	-	3,088	-	-	-	3,088	-	-	-	-	-	-	-	-	-	3,088
Write-offs recorded directly in the income statement	-	(29,530)	-	-	-	(29,530)	-	-	-	-	-	-	-	-	-	(41,512)

A.1.3 Prudential consolidation – Financial assets, commitments to disburse funds and financial guarantees given: transfers between the different credit risk stages (gross and nominal values)

Portofolios/risk stages		Gross exposure/nominal value					
		Transfers between first stage and second stage		Transfers between second stage to thirth stage		Transfer between first stage and thirth stage	
		From first to second stage	From second stage to first stage	From second to third stage	From thirth to second stage	From first to thirth stage	From thirth to first stage
1. Financial assets valued at amortized cost		347,735	61,084	40,900	8,387	113,864	6,781
2. Financial assets valued at fair value with an impact on overall profitability		-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		-	-	-	-	-	-
Total	**12/31/2025**	**347,735**	**61,084**	**40,900**	**8,387**	**113,864**	**6,781**
Total	**12/31/2024**	**178,910**	**52,678**	**33,053**	**4,093**	**119,711**	**6,884**

A.1.4 Prudential consolidation – On- and off-balance sheet credit exposures to banks: gross and net values

Type of exposure/amounts	Gross exposures					otal value adjustments and total credit risk provisions						
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	Net Exposure	Total Write-off*
A. On-balance sheet credit exposures												
A.1 On demand	1,225,801	1,225,801	-	-	-	-	-	-	-	-	1,225,801	-
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,225,801	1,225,801	-	X	-	-	-	-	X	-	1,225,801	-
A.2 Others	37,557	37,557	-	-	-	-	-	-	-	-	37,557	-
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non performing past due	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	37,557	37,557	-	X	-	-	-	-	X	-	37,557	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total (A)	**1,263,358**	**1,263,358**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,263,358**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	32,491	32,491	-	X	-	-	-	-	X	-	32,491	-
Total (B)	**32,491**	**32,491**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32,491**	**-**
Total (A+B)	**1,295,849**	**1,295,849**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,295,849**	**-**

A.1.5 Prudential consolidation – On- and off-balance sheet credit exposures to customers: gross and net values

Type of exposure/Amounts	Gross exposures					otal value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
a) Bad exposures	25,144	X	-	24,798	346	21,487	X	-	21,110	376	3,657	-
- of which: forborne exposures	1,141	X	-	1,025	116	1,039	X	-	930	109	102	-
b) Unlikely to pay	75,948	X	-	74,865	1,082	41,543	X	-	40,449	1,094	34,405	-
- of which: forborne exposures	16,355	X	-	15,945	410	9,718	X	-	9,385	333	6,637	-
c) Non performing past due	185,256	X	-	184,846	410	112,471	X	-	108,106	4,365	72,785	-
- of which: forborne exposures	11,914	X	-	11,823	91	7,424	X	-	7,341	83	4,490	-
d) Performing past due exposures	156,192	58,933	97,259	X	-	26,921	2,672	24,249	X	-	129,271	-
- of which: forborne exposures	4,217	-	4,217	X	-	1,079	-	1,079	X	-	3,138	-
e) Other performing exposures	17,232,786	16,824,826	623,981	X	-	67,638	54,843	12,795	X	-	17,165,148	-
- of which: forborne exposures	29,235	-	29,235	X	-	3,600	-	3,600	X	-	25,635	-
Total (A)	**17,675,325**	**16,883,759**	**721,240**	**284,509**	**1,838**	**270,060**	**57,515**	**37,044**	**169,665**	**5,836**	**17,405,265**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,621,168	1,621,128	40	X	-	-	-	-	X	-	1,621,168	-
Total (B)	**1,621,168**	**1,621,128**	**40**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,621,168**	**-**
Total (A+B)	**19,296,493**	**18,504,886**	**721,280**	**284,509**	**1,838**	**270,060**	**57,515**	**37,044**	**169,665**	**5,836**	**19,026,433**	**-**

The line item "Off-balance sheet exposures" shows the amount relating to factoring transactions and available margins on credit lines granted to customers.

A.1.6 Prudential consolidation – On-balance sheet credit exposures to banks: dynamics of gross non-performing exposures

The Group did not recognise exposures to banks subject to impairment.

A.1.6bis Prudential consolidation – On-balance sheet credit exposures to banks: dynamics of gross exposures subject to forbearance measures broken down by credit quality

The Group did not recognise exposures to banks subject to forbearance measures.

A.1.7 Prudential consolidation – Cash credit exposures to customers: dynamics of gross non-performing exposures

Causals/ category	Bad Exposures	Unlikely to pay	Impaired past due exposures
A. Opening balance (gross amount)	**44,942**	**67,469**	**179,533**
- of which sold non-cancelled exposures	4,082	8,576	32,643
B. Increases	**15,723**	**55,100**	**164,300**
B.1 transfers from performing loans	6,066	35,026	131,574
B.2 entry from impaired financial assets acquired or originated	-	-	-
B.3 transfers from other impaired exposures	9,198	15,871	6,022
B.4 contractual changes without cancellations	-	-	-
B.5 other increases	459	4,203	26,705
C. Decreases	**35,521**	**46,621**	**158,578**
C.1 transfers to perfomorming loans	-	9,986	5,798
C.2 write-offs	26,313	2,105	78,071
C.3 recoveries	1,558	16,610	27,154
C.4 sales proceeds	17	75	104
C.5 losses on disposals	5,393	1,471	3,592
C.6 transfers to other impaired exposures	2	7,695	23,394
C.7 contractual changes without cancellations	-	-	-
C.8 other decreases	2,238	8,679	20,463
D. Closing balance (gross amounts)	**25,144**	**75,948**	**185,256**
- Sold but not derecognised	1,641	6,708	42,544

A.1.7bis Prudential consolidation – Cash credit exposures to customers: dynamics of gross exposures subject to forbearance measures broken down by credit quality

Description/Quality	Forborne exposures impaired	Forborne exposures not impaired
A. Opening balance (gross amount)	**32,303**	**24,209**
- Sold but not derecognised	7,198	6,445
B. Increases	**20,904**	**28,974**
B.1 Transfers from performing not forborne exposures	9,954	20,599
B.2. Transfers from performing forborne exposures	3,867	X
B.3. Transfers from impaired forborne exposures	X	5,759
B.4 Transfers from impaired not forborne exposure	7,064	2,571
B.5 other increases	18	45
C. Decreases	**23,797**	**19,731**
C.1 Transfers to performing not forborne exposures	X	4,331
C.2 Transfers to performing forborne exposures	5,759	X
C.3 transfers to impaired exposures not forborne	X	3,867
C.4 write-offs	12,068	413
C.5 recoveries	4,570	8,723
C.6 sales proceeds	-	-
C.7 losses on disposals	-	-
C.8 other decreases	1,400	2,397
D. Closing balance (gross amounts)	**29,410**	**33,452**
- Sold but not derecognised	4,876	8,493

A.1.8 Prudential consolidation – Cash non-performing credit exposures to banks: dynamics of total write downs

Exposures to banks were not subject to value adjustments.

A.1.9 Prudential consolidation – Cash non-performing exposures to customers: dynamics of total write downs

Description/Category	Bad Exposures		Unlikely to pay		Impaired Past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance overall amount of writedowns	**39,152**	**2,833**	**35,220**	**9,297**	**104,037**	**9,792**
- Sold but not derecognised	3,334	133	4,246	2,582	20,781	1,719
B. Increases	**16,354**	**571**	**23,678**	**7,317**	**116,418**	**8,503**
B.1 impairment losses on acquired or originated assets	-	X	-	X	-	X
B. 2 other value adjustments	9,209	380	14,655	6,444	108,159	6,310
B.3 losses on disposal	431	-	46	-	574	-
B.4 transfer from other impaired exposure	6,485	157	8,305	646	2,720	2,086
B. 5 contractual changes without cancellations	-	-	-	-	-	-
B.6 other increases	229	34	672	227	4,965	106
C. Reductions	**34,019**	**2,365**	**17,355**	**6,896**	**107,984**	**10,871**
C.1 write-backs from assessments	164	8	6,231	3,526	4,370	346
C.2 write-backs from recoveries	161	1	1,097	223	2,272	150
C.3 gains on disposal	434	-	175	-	22	-
C.4 write-offs	26,679	1,948	2,965	802	79,410	9,684
C.5 transfers to other impaired exposures	2	-	4,082	2,212	13,426	677
C. 6 contractual changes without cancellations	-	-	-	-	-	-
C.7 other decreases	6,578	408	2,806	133	8,485	14
D. Closing overall amount of writedowns	**21,487**	**1,039**	**41,543**	**9,718**	**112,471**	**7,424**
- Sold but not derecognised	1,253	55	3,211	1,634	20,564	1,040

A.2 Classification of exposures based on external and internal ratings

A.2.1 Prudential consolidation – Distribution of financial assets, commitments to disburse funds and financial guarantees given by external rating classes (gross values)

The risk classes for external ratings shown in this table refer to the credit quality steps of borrowers/guarantors under prudential regulations. The Group uses the standardised approach according to the risk mapping provided by S&P Global Ratings for exposures to corporates and by Fitch Ratings for exposures to central governments, central banks and supervised intermediaries.

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets valued at amortized cost	**13,423**	**12,133**	**1,099**	**-**	**-**	**-**	**15,708,124**	**15,734,779**
- First stage	13,423	12,133	1,099	-	-	-	14,788,032	14,814,687
- Second stage	-	-	-	-	-	-	633,745	633,745
- Third stage	-	-	-	-	-	-	284,509	284,509
- Purchased or originated impaired	-	-	-	-	-	-	1,838	1,838
B. Financial assets valued at fair value with impact on overall profitability	**-**	**-**	**-**	**-**	**-**	**-**	**1,978,104**	**1,978,104**
- First stage	-	-	-	-	-	-	1,890,608	1,890,608
- Second stage	-	-	-	-	-	-	87,495	87,495
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**13,423**	**12,133**	**1,099**	**-**	**-**	**-**	**17,686,227**	**17,712,882**
D. Commitments and financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**	**306,281**	**306,281**
- First stage	-	-	-	-	-	-	306,241	306,241
- Second stage	-	-	-	-	-	-	40	40
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**306,281**	**306,281**
Total (A+B+C+D)	**13,423**	**12,133**	**1,099**	**-**	**-**	**-**	**17,992,509**	**18,019,163**

The relevant ECAI reconciliation tables between ratings and credit quality steps are provided below for the respective maturities:

Credit rating	Long-term ECAI	
	Fitch Ratings	S&P Global Ratings
	Central Administrations and central banks	Company and other entities
1	from AAA to AA-	from AAA to AA-
2	from A+ to A-	from A+ to A-
3	from BBB+ to BBB-	from BBB+ to BBB-
4	from BB+ to BB-	from BB+ to BB-
5	from B+ to B-	from B+ to B-
6	CCC+ and lower	CCC+ and lower

Credit rating	Short-term ECAI	
	Fitch Ratings	S&P Global Ratings
	Central Administrations and central banks	Company and other entities
1	N/a	A-1+, A-1
2	N/a	A-2
3	N/a	A-3
from 4 to 6	N/a	lower A-3

A.2.2 Prudential consolidation – Distribution of financial assets, commitments to disburse funds and financial guarantees given by internal rating classes (gross values)

This table is not prepared as internal ratings are currently not used in the calculation of capital requirements within credit risk management.

A.3 Distribution of secured credit exposures by type of collateral

A.3.1 Prudential consolidation – Secured on- and off-balance sheet credit exposures to banks

	Gross exposure	Net exposures	Collaterals (1)				Personal guarantees (2)	
							Credit derivatives	
								Other derivatives
			Property - mortgages	Property - Lease loans	Securities	Other	CLN	Central counterparties
1. Credit exposures for cash:	**2,537**	**2,537**	**-**	**-**	**-**	**2,537**	**-**	**-**
1.1 totally secured	2,537	2,537	-	-	-	2,537	-	-
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Off-balance sheet exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	General governements	Banks	Other financial companies	Other entities	
1. Credit exposures for cash:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,537**
1.1 totally secured	-	-	-	-	-	-	-	2,537
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Off-balance sheet exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

A.3.2 Prudential consolidation – Secured on- and off-balance sheet credit exposures to customers

	Gross exposure	Net exposures	Collaterals (1)				Guarantees (2)	
							Credit derivatives	
			Property, Mortgages	Property - Lease loans	Securities	Other assets	CLN	Other derivatives - Central counterparties
1. Guaranteed cash loans:	**2,745,109**	**2,719,951**	**-**	**-**	**-**	**1,398,370**	**-**	**-**
1.1 totally secured	1,895,226	1,872,862	-	-	-	1,378,194	-	-
- of which: impaired	30,190	15,256	-	-	-	14,293	-	-
1.2 partially secured	849,883	847,089	-	-	-	20,176	-	-
- of which: impaired	2,315	409	-	-	-	188	-	-
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

	Guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	public administrations	Banks	Other financial companies	Other entities	
1. Guaranteed cash loans:	**-**	**-**	**-**	**710**	**218,443**	**72,854**	**383,594**	**2,073,971**
1.1 totally secured	-	-	-	710	215,377	70,463	208,094	1,872,838
- of which: impaired	-	-	-	-	29	-	935	15,256
1.2 partially secured	-	-	-	-	3,066	2,390	175,500	201,133
- of which: impaired	-	-	-	-	-	-	222	409
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

A.4 Prudential consolidation – Financial and non-financial assets obtained through the enforcement of collateral received

The Group does not recognise financial assets obtained through the enforcement of collateral.

B. Distribution and concentration of credit exposures

B.1 Prudential consolidation – Sectoral distribution of on- and "off-balance sheet" credit exposures to customers

Exposures/Counterparts	Public administration		Financial companies		Financial companies(of which: insurance companies)		Non-financial companies		Families	
	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures										
A.1 Bad Exposures	-	-	-	-	-	-	619	5,220	3,038	16,267
- of wich: forborne exposures	-	-	-	-	-	-	35	302	67	737
A.2 Unlikely to pay	1,390	70	25	26	1	-	3,523	4,217	29,467	37,231
- of wich: forborne exposures	-	-	10	13	-	-	198	528	6,429	9,176
A.3 Impaired past due exposures	1,641	297	108	162	3	-	15,388	19,396	55,647	92,616
- of wich: forborne exposures	-	-	-	-	-	-	90	204	4,400	7,220
A.4 Not impaired exposures	408,024	2	20,257	88	1	-	4,476,898	12,767	12,389,240	81,702
- of wich: forborne exposures	-	-	15	1	-	-	3,186	195	25,573	4,483
Total (A)	**411,055**	**369**	**20,390**	**275**	**5**	**-**	**4,496,428**	**41,599**	**12,477,392**	**227,816**
B. Off-balance sheet credit exposures										
B.1 Deteriorated exposures	-	-	-	-	-	-	-	-	-	-
B.2 Non-deteriored exposures	861	-	982	-	-	-	1,530,507	-	89,102	-
Total (B)	**861**	**-**	**982**	**-**	**-**	**-**	**1,530,507**	**-**	**89,102**	**-**
Total (A+B) 46022	**411,915**	**369**	**21,372**	**275**	**5**	**-**	**6,026,935**	**41,599**	**12,566,495**	**227,816**
Total (A+B) 45657	**307,175**	**512**	**15,962**	**208**	**5**	**-**	**4,562,139**	**29,973**	**11,170,044**	**230,747**

The previous table shows on-balance sheet positions with customers distributed by sector. It highlights the clear prevalence of exposures to *retail* customers.

B.2 Prudential consolidation – Geographical distribution of on- and "off-balance sheet" credit exposures to customers

Exposures / Geographic area		North West Italy		North East Italy		Italian Centre		South Italy and Islands	
		Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures									
A.1 Bad Exposures		1,149	4,858	436	2,644	667	4,768	1,406	9,217
A.2 Unlikely to pay		7,585	10,691	3,608	5,399	5,955	8,419	17,257	17,034
A.3 Impaired past due exposures		19,223	27,301	9,414	15,640	15,212	23,383	28,932	46,137
A.4 Not impaired exposures		4,713,885	26,741	3,105,023	15,576	4,417,037	21,132	5,058,408	31,103
Total (A)		**4,741,843**	**69,591**	**3,118,481**	**39,259**	**4,438,870**	**57,703**	**5,106,003**	**103,491**
B. Off-balance sheet credit exposures									
B. 1 Non-performing exposures		-	-	1	-	-	-	2	-
B. 2 Performing exposures		535,041	-	35,700	-	459,094	-	486,880	-
Total (B)		**535,041**	**-**	**35,701**	**-**	**459,094**	**-**	**486,881**	**-**
Total (A+B)	**12/31/2025**	**5,276,883**	**69,591**	**3,154,182**	**39,259**	**4,897,964**	**57,703**	**5,592,884**	**103,491**
Total (A+B)	**12/31/2024**	**4,455,255**	**67,746**	**2,826,288**	**36,803**	**3,847,699**	**51,804**	**4,681,297**	**98,297**

The Group has exposures to Italian customers almost exclusively; the geographical breakdown used in the table is taken from the instructions issued by the Bank of Italy and is consistent with the allocation logic used for supervisory reporting.

B.3 Prudential consolidation – Geographical distribution of on- and "off-balance sheet" credit exposures to banks

Exposures / Geographical Area		Italy		Other european countries		United States		Asia		Rest of the world	
		Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs
A. Balance sheet credit exposures											
A.1 Bad Exposures		-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay		-	-	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures		-	-	-	-	-	-	-	-	-	-
A.4 Not impaired exposures		1,223,790	-	39,568	-	-	-	-	-	-	-
Total (A)		**1,223,790**	**-**	**39,568**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures											
B.1 Deteriored exposures		-	-	-	-	-	-	-	-	-	-
B.2 Non-deteriored exposures		-	-	32,491	-	-	-	-	-	-	-
Total (B)		**-**	**-**	**32,491**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**12/31/2025**	**1,223,790**	**-**	**72,059**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**12/31/2024**	**1,201,831**	**-**	**67,764**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The table reports, with reference to on-balance sheet exposures to resident counterparties, the credit balance of current account relationships with credit institutions, while for exposures to non-resident counterparties the balance mainly consists of transactions with the Parent Company.

B.4 Large exposures

	12/31/2025
Number	4
Weighted value	456,187
Book value	2,195,728

As at the balance sheet closing date, the following four counterparties are identified as large exposures:

- Banco Santander S.A.;
- Bank of Italy;
- Ministry of Economy and Finance (MEF);
- Dealer Ceccato Automobili

C. Securitisation transactions

Qualitative information

Strategy and characteristics of securitisation transactions

The Group carries out securitisation transactions in order to broaden funding diversification while optimising its cost.

In this context, the roles usually covered are as follows:

- Santander Consumer Bank/Stellantis Financial Services Italia: Originator, Seller and Servicer;
- Golden Bar (Securitisation) S.r.l./ Auto ABS Italian Stella Loans S.r.l.: Issuer.

The transactions may have a "*revolving*" structure if there is the option to sell additional portfolios compared to the initial sale, or an "*amortising*" structure if such option is not contractually provided. Consequently, collections arising from securitised receivables are used to finance the purchase of additional receivables during the "*revolving*" ph*amortising*" phase.

Senior classes usually have a dual rating in order to be *eligible* for transactions with the Central Bank.

Securitisation transactions

In addition to the transactions outstanding, in 2025 four securitisation transactions were completed with placement of notes to third-party investors.

Golden Bar 2025-1

The Golden Bar 2025-1 transaction, with a value of EUR 1,315 million and legal maturity in 2044, was completed through the sale at par to the special purpose vehicle Golden Bar (Securitisation) S.r.l. of a portfolio of performing receivables consisting of car loans and personal loans, originated by Santander Consumer Bank.

This securitisation, which provides for a 6-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the special purpose vehicle was funded through the issuance of eight classes of notes, summarised below:

- Class A1 senior notes for EUR 664 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these classes also obtained eligibility with the ECB;
- Class A2 senior notes for EUR 415 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these classes also obtained eligibility with the ECB;
- Class B mezzanine notes for EUR 91 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class C mezzanine notes for EUR 78 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class D mezzanine notes for EUR 39 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class E mezzanine notes for EUR 13 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class F mezzanine notes for EUR 13 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class Z junior notes for EUR 2 million, unrated and fully subscribed by the Originator.
- The interest rate on the Senior notes was set at the 3-month Euribor rate plus a spread of 75 bps (with a zero *floor* on the coupon).

As part of the transaction, the special purpose vehicle entered into an Interest Rate Swap to hedge the interest rate risk of the Senior classes and classes B, C, D and E.

Through the sale of the A1-F notes to third parties, the Bank was able to achieve SRT (Significant Risk Transfer) of the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of portfolio risk, the Bank assessed that accounting derecognition was not applicable and, therefore, the assets are retained on the Originator's balance sheet.

In particular, SRT must be continuously monitored throughout the life of the transaction in order to verify compliance with the criteria set out by regulations, including maintaining on a continuous basis a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure implemented by the Bank, the risk retention requirement is met by the originator through the retention of randomly selected exposures equivalent to a percentage not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, pursuant to Article 6(3)(c) of EU Regulation 2402/2017 (Random selection).

Golden Bar 2025-2

The Golden Bar 2025-2 transaction, with a value of EUR 506.4 million and legal maturity in 2044, was completed through the sale at par to the special purpose vehicle Golden Bar (Securitisation) S.r.l. of a portfolio of *performing* receivables consisting of car loans and personal loans originated by Santander Consumer Bank.

This securitisation, which provides for a 3-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the special purpose vehicle was funded through the issuance of seven classes of notes, summarised below:

- Class A senior notes for EUR 415 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these classes also obtained eligibility with the ECB;
- Class B mezzanine notes for EUR 35 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class C mezzanine notes for EUR 30 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class D mezzanine notes for EUR 15 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class E mezzanine notes for EUR 5 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class F mezzanine notes for EUR 5 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class Z junior notes for EUR 1.4 million, unrated and fully subscribed by the Originator.

The interest rate on the Senior notes was set at the 3-month Euribor rate plus a spread of 67 bps (with a zero *floor* on the coupon).

As part of the transaction, the special purpose vehicle entered into an *Interest Rate Swap* to hedge the interest rate risk of the Senior class and classes B, C, D and E.

Through the sale of the A-F notes to third parties, the Bank was able to achieve SRT (Significant Risk Transfer) of the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of portfolio risk, the Bank assessed that accounting derecognition was not applicable and, therefore, the assets are retained on the Originator's balance sheet.

In particular, SRT must be continuously monitored throughout the life of the transaction in order to verify compliance with the criteria set out by regulations, including maintaining on a continuous basis a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure implemented by the Bank, the risk retention requirement is met by the originator through the retention of randomly selected exposures equivalent to a percentage not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, pursuant to Article 6(3)(c) of EU Regulation 2402/2017 (Random selection).

<u>Auto Abs Italian Stella Loans 2025-1</u>

The Auto Abs Italian Stella Loans 2025-1 transaction, with a value of EUR 1,000 million, was completed through the sale at par to the special purpose vehicle Auto Abs Italian Stella Loans S.r.l. of a portfolio of *performing* receivables consisting of car loans and personal loans originated by Stellantis Financial Services Italia S.p.A.

This securitisation, which provides for a 6-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the special purpose vehicle was funded through the issuance of five classes of notes, summarised below:

- Class A1 senior notes for EUR 442.5 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties; these classes also obtained eligibility with the ECB;
- Class A2 senior notes for EUR 442.5 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties; these classes also obtained eligibility with the ECB;
- Class B mezzanine notes for EUR 65 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;

- Class C mezzanine notes for EUR 29 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class D mezzanine notes for EUR 21 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class E mezzanine notes for EUR 10 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class Z junior notes, unrated and fully subscribed by the Originator.

Through the sale of the A-E notes to third parties, the Bank was able to achieve Significant Risk Transfer (SRT) of the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of portfolio risk, the Bank assessed that accounting derecognition was not applicable and, therefore, the assets are retained on the Originator's balance sheet.

In particular, SRT must be continuously monitored throughout the life of the transaction in order to verify compliance with the criteria set out by regulations, including maintaining on a continuous basis a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure implemented by the Bank, the risk retention requirement is met by the originator through the retention of randomly selected exposures equivalent to a percentage not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, pursuant to Article 6(3)(c) of EU Regulation 2402/2017 (Random selection).

<u>Auto Abs Italian Stella Loans 2025-2</u>

The Auto Abs Italian Stella Loans 2025-2 transaction, with a value of EUR 1,000 million, was completed through the sale at par to the special purpose vehicle Auto Abs Italian Stella Loans S.r.l. of a portfolio of *performing* receivables consisting of car loans and personal loans originated by Stellantis Financial Service Italia S.p.A.

This securitisation, which provides for a 7-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the special purpose vehicle was funded through the issuance of five classes of notes, summarised below:

- Class A1 senior notes for EUR 630 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties; these classes also obtained eligibility with the ECB;
- Class A2 senior notes for EUR 270 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties; these classes also obtained eligibility with the ECB;
- Class B mezzanine notes for EUR 60 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class C mezzanine notes for EUR 30 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class D mezzanine notes for EUR 10 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class E mezzanine notes for EUR 10 million, listed on the Luxembourg Stock Exchange and fully subscribed by third-party counterparties;
- Class Z junior notes, unrated and fully subscribed by the Originator.

Through the sale of the A-E notes to third parties, the Bank was able to achieve Significant Risk Transfer (SRT) of the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of portfolio risk, the Bank assessed that accounting derecognition was not applicable and, therefore, the assets are retained on the Originator's balance sheet.

In particular, SRT must be continuously monitored throughout the life of the transaction in order to verify compliance with the criteria set out by regulations, including maintaining on a continuous basis a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure implemented by the Bank, the risk retention requirement is met by the originator through the retention of randomly selected exposures equivalent to a percentage not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, pursuant to Article 6(3)(c) of EU Regulation 2402/2017 (Random selection).

Transactions closed during the year

During 2025, the Golden Bar 2023-1 transaction was redeemed through the repurchase of the portfolio by the Originator company.

Transactions outstanding as at the financial statements reference date

With reference to the financial assets subject to securitisation, at the end of the 2025 financial year, as a result of what described above, the Bank had ten *performing* transactions outstanding (Golden Bar 2021-1, Golden Bar 2023-2, Golden Bar 2024-1, Golden Bar 2025-1, Golden Bar 2025-2, Auto Abs Italian Stella Loans 2023-1, Auto Abs Italian Stella Loans 2024-1, Auto Abs Italian Stella Loans 2024-2, Auto Abs Italian Stella Loans 2025-1 and Auto Abs Italian Stella Loans 2025-2).

	Assets held by the SPE	Senior and Mezzanine Securities subscribed	Junior Securities subscribed	Cash Reserve	Assets held by the Group	Type of collateral	Distribution of collateral by geographical area	Average maturity of the collateral	Rating of the collateral
Golden Bar 2021-1	96,237	99,583	100	5,000	15,428,190	n.a.	n.a.	n.a.	n.a.
Golden Bar 2023-2	590,841	609,473	1	14,015		n.a.	n.a.	n.a.	n.a.
Golden Bar 2024-1	595,633	610,735	1	10,011		n.a.	n.a.	n.a.	n.a.
Golden Bar 2025-1	1,265,180	1,300,000	-	13,014		n.a.	n.a.	n.a.	n.a.
Golden Bar 2025-2	487,205	501,278	1,278	5,005		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella (Progetto Stella)	504,148	518,686	1	29,324		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella (Progetto Sirio)	838,289	857,770	1	32,880		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella (Progetto Pegaso)	681,956	693,401	1	21,738		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella (Progetto Toro)	982,377	1,000,000	1	31,881		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella (Progetto Leone)	980,009	1,010,000	2,000	39,039		n.a.	n.a.	n.a.	n.a.

Consequently, in accordance with international accounting standards, these securitised portfolios have not been derecognised as the requirements for derecognition were not met.

For greater clarity of information, the*excess spread* accrued within the outstanding transactions is broken down below into the different components that generated it.

Scomposizione "excess spread" maturato nell'esercizio	Golden Bar 2021-1	Golden Bar 2023-1	Golden Bar 2023-2	Golden Bar 2024-1	Golden Bar 2025-1	Golden Bar 2025-2	Auto ABS Italian Stella (Progetto Stella)	Auto ABS Italian Stella (Progetto Sirio)	Auto ABS Italian Stella (Progetto Pegaso)	Auto ABS Italian Stella (Progetto Toro)	Auto ABS Italian Stella (Progetto Leone)
Interest expense on securities issued	(4.222)	(10.539)	(34.492)	(29.126)	(19.790)	(2.578)	(42.180)	(66.280)	(52.989)	(30.089)	(2.597)
Commissions and fees for the operation	(314)	(634)	(1.159)	(1.098)	(974)	(384)	(574)	(913)	(692)	(523)	(74)
- for servicing	(273)	(615)	(1.123)	(1.065)	(926)	(132)	(556)	(892)	(674)	(515)	(74)
- for other services	(41)	(19)	(36)	(33)	(48)	(252)	(18)	(21)	19	(8)	0
Other charges	(7.741)	(21.758)	(14.460)	(10.546)	(19.498)	(5.459)	(2.784)	(6.636)	(3.525)	1.779	252
Interest generated by the securitized assets	8.246	33.820	57.781	65.408	67.678	11.351	49.934	77.070	61.493	46.723	10.082
Other revenues	9.327	28.651	7.488	5.007	2.657	398	2.168	3.846	2.260	1.801	338
Total	**5.296**	**29.540**	**15.158**	**29.645**	**30.073**	**3.328**	**6.565**	**7.089**	**6.547**	**19.690**	**8.001**

Synthetic securitisation transactions

With reference to synthetic securitisation transactions, during the 2023 financial year Stellantis Financial Service Italia S.p.A. carried out a transaction on a wholesale portfolio, with a size of EUR 812.5 million.

The transaction provides for a 36-month replenishment period during which the reference portfolio of the guarantee, as it amortises, can be continuously replaced by new underlying assets in line with the eligibility criteria set out in the insurance policy. Therefore, the synthetic securitisation mentioned is still active in the 2025 financial year with the effects described above.

The transaction is structured with tranching into four sections, and the risk of the junior tranche, junior mezzanine tranche and senior mezzanine tranche has been fully transferred to four international insurance companies through an insurance policy contract.

Through third-party personal protection, the Bank was able to achieve Significant Risk Transfer (SRT) of the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of portfolio risk, the Bank assessed that accounting derecognition was not applicable and, therefore, the assets are retained on the Originator's balance sheet.

In particular, SRT must be continuously monitored throughout the life of the transaction in order to verify compliance with the criteria set out by regulations, including maintaining on a continuous basis a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure implemented by the Bank, the risk retention requirement is met by the Originator through the retention of at least 5% of the nominal value of each of the securitised exposures pursuant to Article 5(1)(a) of EU Regulation 625/2014 and Article 6(3)(a) of EU Regulation 2402/2017 (Vertical slice or vertical retention).

Quantitative information

C.1 Prudential consolidation – Exposures arising from the main "proprietary" securitisation transactions broken down by type of securitised assets and by type of exposures

Tipologia attività cartolarizzate/Esposizioni	Esposizioni per cassa – Senior – Valore di bilancio	Esposizioni per cassa – Senior – Rettifiche/riprese di valore	Esposizioni per cassa – Mezzanine – Valore di bilancio	Esposizioni per cassa – Mezzanine – Rettifiche/riprese di valore	Esposizioni per cassa – Junior – Valore di bilancio	Esposizioni per cassa – Junior – Rettifiche/riprese di valore	Garanzie rilasciate – Senior – Valore di bilancio	Garanzie rilasciate – Senior – Rettifiche/riprese di valore	Garanzie rilasciate – Mezzanine – Valore di bilancio	Garanzie rilasciate – Mezzanine – Rettifiche/riprese di valore	Garanzie rilasciate – Junior – Valore di bilancio	Garanzie rilasciate – Junior – Rettifiche/riprese di valore	Linee di credito – Senior – Valore di bilancio	Linee di credito – Senior – Rettifiche/riprese di valore	Linee di credito – Mezzanine – Valore di bilancio	Linee di credito – Mezzanine – Rettifiche/riprese di valore	Linee di credito – Junior – Valore di bilancio	Linee di credito – Junior – Rettifiche/riprese di valore
A. Oggetto di integrale cancellazione dal bilancio																		
B. Oggetto di parziale cancellazione dal bilancio																		
C. Non cancellate dal bilancio					**49.885**	**212**												
Auto ABS Italian Stella (Progetto Stella)					7.399	30												
Auto ABS Italian Stella (Progetto Pegaso)					12.814	98												
Auto ABS Italian Stella (Progetto Toro)					23.311	73												
Auto ABS Italian Stella (Progetto Leone)					6.362	12												

C.2 Prudential consolidation – Exposures arising from the main "third-party" securitisation transactions broken down by type of securitised assets and by type of exposures

The Group has not carried out "third-party" securitisation transactions.

C.3 Prudential consolidation – Interests in securitisation special purpose vehicles (SPVs)

Securitization name – Company name	Head office	Consolidation	Asset			Liabilities		
			Credits	Debt securities	Other	Senior	Mezzanine	Junior
Golden Bar 2021-1	Turin	NO	96,237		23,458	89,924	9,660	100
Golden Bar 2023-2	Turin	NO	590,841		46,717	505,863	103,610	1
Golden Bar 2024-1	Turin	NO	595,633		36,191	500,803	109,932	1
Golden Bar 2025-1	Turin	NO	1,265,180		60,395	1,079,000	221,000	1
Golden Bar 2025-2	Turin	NO	487,205		21,874	415,000	86,278	1,400
Auto ABS Italian Stella (Progetto Stella)	Turin	NO	504,148		30,955	456,443	62,242	1
Auto ABS Italian Stella (Progetto Sirio)	Turin	NO	838,289		34,862	759,126	98,644	1
Auto ABS Italian Stella (Progetto Pegaso)	Turin	NO	681,956		23,944	613,660	79,741	1
Auto ABS Italian Stella (Progetto Toro)	Turin	NO	982,377		38,026	885,000	115,000	1
Auto ABS Italian Stella (Progetto Leone)	Turin	NO	980,009		42,859	900,000	110,000	2,000

C.4 Prudential consolidation – Non-consolidated securitisation special purpose vehicles (SPVs)

Please refer to the information provided in these Notes to the Consolidated Financial Statements, Part A, Section 3 “Scope and methods of consolidation”.

C.5 Prudential consolidation – Servicer activities – proprietary securitisations: collections on securitised loans and repayments of notes issued by the securitisation special purpose vehicles

The Group does not perform servicer activities on securitisation transactions involving transferred assets that have been derecognised from the balance sheet.

C.6 Prudential consolidation – Consolidated securitisation special purpose vehicles (SPVs)

Name society vehicle and head office:	Golden Bar 2021-1	Golden Bar 2023-1	Golden Bar 2023-2	Golden Bar 2024-1	Golden Bar 2025-1	Golden Bar 2025-2	Auto ABS Italian Stella (Progetto Stella)	Auto ABS Italian Stella (Progetto Sirio)	Auto ABS Italian Stella (Progetto Pegaso)	Auto ABS Italian Stella (Progetto Toro)	Auto ABS Italian Stella (Progetto Leone)
A. Securitized assets	**96,237**		**590,841**	**595,633**	**1,265,180**	**487,205**	**504,148**	**838,289**	**681,956**	**982,377**	**980,009**
A.1 Credits	96,237		590,841	595,633	1,265,180	487,205	504,148	838,289	681,956	982,377	980,009
A.2 Secuties											
A.3 Other											
B. Investments of deriving from the credit management	**18,193**		**44,710**	**34,696**	**58,102**	**20,898**	**29,324**	**32,880**	**21,738**	**31,881**	**39,039**
B.1 Debt secuties											
B.2 Equity securities											
B.3 Availability current account	18,193		44,710	34,696	58,102	20,898	29,324	32,880	21,738	31,881	39,039
C. Other assets	**5,265**		**2,007**	**1,495**	**2,293**	**976**	**1,631**	**1,982**	**2,206**	**6,144**	**3,820**
C.1 Transitory receipts	46		326								
C.2 Other assets	5,219		1,681	1,495	2,293	976	1,631	1,982	2,206	6,144	3,820
D. Securities issued	**99,683**		**609,474**	**610,736**	**1,300,001**	**502,678**	**518,687**	**857,771**	**693,402**	**1,000,001**	**1,012,000**
D.1 Senior	89,924		505,863	500,803	1,079,000	415,000	456,443	759,126	613,660	885,000	900,000
D.2 Mezzanine	9,660		103,610	109,932	221,000	86,278	62,242	98,644	79,741	115,000	110,000
D.3 Junior	100		1	1	1	1,400	1	1	1	1	2,000
E. Loans received											
F. Derivatives											
G. Other liabilities	**20,011**		**28,083**	**21,088**	**25,574**	**6,401**	**16,416**	**15,380**	**12,498**	**20,401**	**10,868**
G.1 Accrued interest on securities	15,034		26,938	20,509	24,275	3,742	138	194	161	223	2,597
G.2 Other liabilities	4,977		1,145	579	1,299	2,659	16,278	15,186	12,337	20,179	8,271
H. Interest expenses on securities issued	**9,518**	**40,079**	**49,650**	**58,771**	**49,863**	**5,906**	**48,744**	**73,368**	**59,537**	**49,779**	**10,597**
I. Fees and commissions related to the transaction	**315**	**634**	**1,159**	**1,099**	**974**	**383**	**574**	**913**	**692**	**523**	**74**
I.1 Servicing service	273	615	1,123	1,065	926	132	556	892	674	515	74
I.2 Other servicing	41	19	36	33	48	252	18	21	19	8	
L. Other charges	**7,740**	**21,759**	**14,459**	**10,546**	**19,497**	**5,460**	**2,784**	**6,636**	**3,525**	**(1,779)**	**(252)**
L.1 Other interest expenses			1								
L.2 Other charges	7,740	21,759	14,459	4,322	447	231	836	3,334	99	(4,964)	(2,130)
L.3 Value adjustments on loans				6,224	19,051	5,229	1,948	3,302	3,425	3,185	1,878
M. Interest income on securitized assets	**8,246**	**33,820**	**57,781**	**65,408**	**67,678**	**11,351**	**49,934**	**77,070**	**61,493**	**46,723**	**10,082**
N. Other revenues	**9,327**	**28,651**	**7,488**	**5,007**	**2,657**	**398**	**2,168**	**3,846**	**2,260**	**1,801**	**338**
N.1 Additional returns	7,223	2,580	7,460	5,007	2,657	398	2,168	3,846	2,260	1,801	338
N.2 Value adjustments on credits	2,104	26,072	28								

D. Transfer transactions

A. Financial assets transferred and not derecognised in full

Qualitative information

With reference to financial assets transferred and not derecognised in full, please refer to the disclosure provided under Point C "Securitisation transactions".

Quantitative information

D.1 Prudential consolidation – Financial assets transferred recognised in full and associated financial liabilities: carrying amounts

		Financial assets sold as a whole				Associated financial liabilities		
		Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement	of which Non-performing	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement
A. Financial assets held for trading		-	-	-	X	-	-	-
1. Debt securities		-	-	-	X	-	-	-
2. Equities		-	-	-	X	-	-	-
3. Loans		-	-	-	X	-	-	-
4. Derivatives		-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value		-	-	-	-	-	-	-
1. Debt securities		-	-	-	-	-	-	-
2. Equities		-	-	-	X	-	-	-
3. Loans		-	-	-	-	-	-	-
C. Financial assets designated at fair value		-	-	-	-	-	-	-
1. Debt securities		-	-	-	-	-	-	-
2. Loans		-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income		-	-	-	-	-	-	-
1. Debt securities		-	-	-	-	-	-	-
2. Equities		-	-	-	X	-	-	-
3. Loans		-	-	-	-	-	-	-
E. Financial assets measured at amortised cost		7,156,452	7,156,452	-	18,931	7,203,669	7,203,669	-
1. Debt securities		-	-	-	-	-	-	-
2. Loans		7,156,452	7,156,452	-	18,931	7,203,669	7,203,669	-
Total	12/31/2025	7,156,452	7,156,452	-	18,931	7,203,669	7,203,669	-
Total	12/31/2024	5,466,980	5,466,980	-	16,940	5,410,075	5,410,075	-

Financial assets measured at amortised cost relate to securitisation transactions with notes subscribed by third-party investors and derecognised for prudential purposes only (Golden Bar 2021-1, Golden Bar 2023-2, Golden Bar 2024-1, Golden Bar 2025-1, Golden Bar 2025-2, Auto ABS Italian Stella Loans 2023, Auto ABS Italian Stella Loans 2024-1, Auto ABS Italian Stella Loans 2024-2, Auto ABS Italian Stella Loans 2025-1 and Auto ABS Italian Stella Loans 2025-2).

D.2 Prudential consolidation – Financial assets transferred recognised in part and associated financial liabilities: carrying amounts

The Group does not hold financial assets transferred and recognised in part.

D.3 Prudential consolidation – Transfer transactions with liabilities having recourse exclusively to the transferred assets and not derecognised in full: fair value

	Fully booked	Partially booked	Total	
			12/31/2025	12/31/2024
A. Financial assets held for trading	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. Other financial assets that are duly measured at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. Financial assets measured at fair value with an impact on overall profitability	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
E. Financial assets measured at amortized cost (fair value)	**7,056,060**	**-**	**7,056,060**	**5,365,216**
1. Debt securities	-	-	-	-
2. Loans	7,056,060	-	7,056,060	5,365,216
Total financial assets	**7,056,060**	**-**	**7,056,060**	**5,365,216**
Total associated financial liabilities	**7,228,522**	**-**	**X**	**X**
Valore netto 31/12/2025	**(172,461)**	**-**	**(172,461)**	**X**
Valore netto 31/12/2024	**(40,313)**	**-**	**X**	**(40,313)**

B. Financial assets transferred and fully derecognised with recognition of continuing involvement

The Group has not carried out transfer transactions in which continuing involvement was recognised.

C. Financial assets transferred and fully derecognised

The Group has not carried out full transfer transactions.

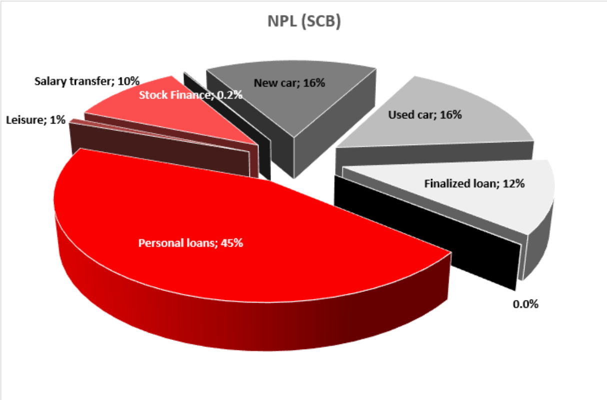
D. Covered bond transactions

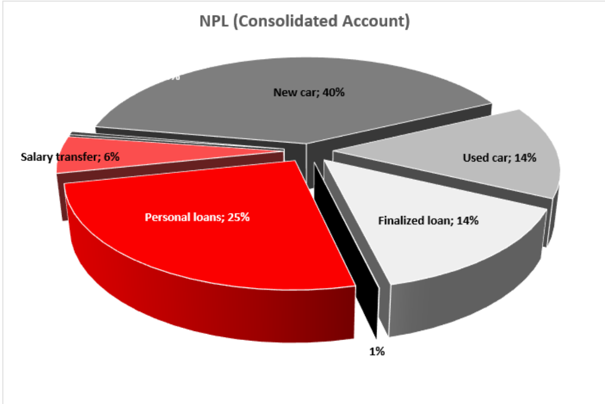
The Group has not carried out covered bond transactions.

E. Prudential consolidation – models for measuring credit risk

On a monthly basis, the amount of the balance at risk by product is monitored for contracts that are more than ninety days past due (contracts in default status). The chart below summarises its composition:

NPL (Consolidated Account)

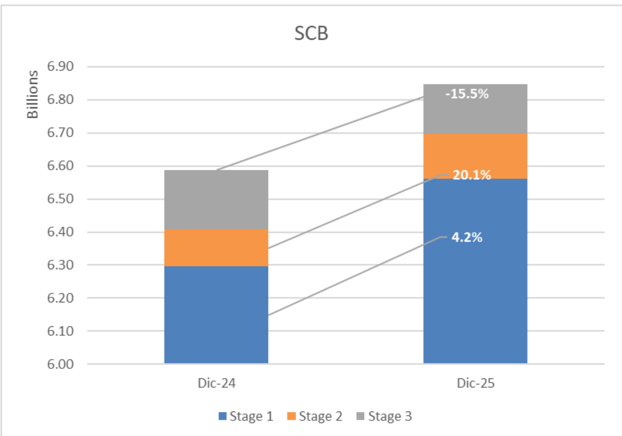


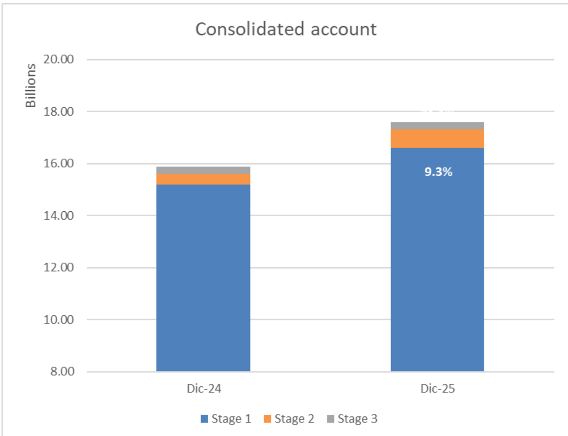


The stress test exercises conducted for ICAAP purposes, calculated based on PD and LGD parameters, both in the base scenario and in the stressed scenario, confirmed the robustness of the strategies adopted by the Group.

Credit risk is assessed, among other things, by means of:

- *Vintage analysis*. This indicator is constructed as the ratio between the contracts of a given vintage that, in each month of their life, reach a "*bad*" status and the total number of contracts of the same vintage. It is a tool that allows comparisons between different origination *performance* (during the life of the products), according to the relevant segmentations. Comparisons are made between products with a similar origination date, so as to identify any deviations from past performance. Graphical representations are usually used to track trends, such as those showing the relationship between months on book and the default rate;
- *Roll rate* (trend analysis). These represent the development of the contracts observed over a time horizon between time 0 and time 1, determining the behaviour at time 1 of contracts that, at the start of the observation, fell within a given past-due bucket. This indicator is used for *Roll rate* (trend analysis). These represent the development of the contracts observed over a time horizon between time 0 and time 1, determining the behaviour at time 1 of contracts that, at the start of the observation, fell within a given past-due bucket. This indicator is used to identify movements in the portfolio stock;





- For stress test purposes, also to take into account the evolution of default rates with a non-linear trend for the same first-instalment due date, polynomial models are used (significance / R-squared ~ 95%). In particular, this tool is used to define the migration of contracts from one past-due bucket to another, showing evidence of the deterioration/improvement of the quality of the performing portfolio;
- Portfolio analysis includes a set of metrics useful to assess each month the evolution of the portfolio, the stock of defaulted contracts and the level of coverage;
- The assessment of PD and LGD supports the analysis of portfolio performance and the recovery rate in the event of default.

1.2 Market risks

1.2.1 Interest rate risk and price risk – supervisory trading book

The Group has no such positions.

1.2.2 Interest rate risk and price risk – banking book

Qualitative information

A. General aspects, management procedures and measurement methods for interest rate risk and price risk

The Group is exposed to interest rate risk, understood as *fair value* risk (the risk that fixed-rate assets and liabilities undergo changes in value as a result of fluctuations in the interest rate yield curve) and *cash flow* risk (the risk that cash flows arising from interest vary as a result of fluctuations in the interest rate yield curve).

The sources of interest rate risk are mainly related to loans to customers, generated by the placement of consumer credit products and services (asset items), and to funding instruments (liability items). Indeed, the sector in which the Group operates is characterised by the composition of assets, which mainly consist of fixed-rate loans, whereas funding sources are both fixed-rate and floating-rate. Therefore, the main categories of interest rate risk to which the Bank is exposed are attributable to *repricing risk*.

Interest rate risk is managed within the framework of macro strategies shared at Group level and within well-defined and formalised exposure limits. At the Parent Company and at the units, according to the local organisational structures adopted, the Finance Department manages interest rate risk in compliance with the applicable documentation approved by the Board of Directors. The Risk Control Service, through the Market Risk function, is responsible for monitoring market risks through the application of appropriate analysis and assessment methodologies.

Internal processes for managing and monitoring interest rate risk provide, on a monthly basis, for the processing of information at operating level by the relevant organisational units and for critical review within the ALCO Committee.

Monitoring is carried out by comparing the limits set both by the Bank of Italy regulations and by the relevant internal documentation with the results of the *stress tests* performed on interest-sensitive assets and liabilities.

Specific indicators are managed by the Finance Department and measured and monitored by the Risk Department at the Group units. In this regard, quantitative limits are set for the following risk metrics:

- Market Value of Equity Sensitivity (MVE Sens.);
- Net Interest Margin Sensitivity (NIM Sens.).

To mitigate the risk of interest rate fluctuations, the Group units mainly implement two forms of mitigation:

- use of financial instruments:
  - derivatives: used to hedge interest rate risk (generally *Interest Rate Swaps*);
  - fixed-rate medium-term funding: used as an alternative to derivative instruments, to mitigate exposure to interest rate risk;

- operating limits consistent with the risk objectives established by the Group.

Within the types of risk hedges allowed, the units have chosen to adopt derivative financial instruments according to the methods described below.

Quantitative information

1. Banking book: distribution by residual maturity (by repricing date) of financial assets and liabilities.

This table is not prepared because the following paragraph provides an interest rate risk sensitivity analysis based on internal models, and that analysis covers the entire banking book.

2. Banking book: internal models and other sensitivity analysis methodologies

The measurement and quantification of financial risks, with particular reference to interest rate risk, is performed through the analysis of specific summary indicators described below. These indicators are calculated on a monthly basis and involve both calculating an actual figure based on the month-end reporting and estimating a forecast figure for the subsequent reference period. The Parent Company's Finance Department is responsible for managing interest rate risk in order to keep risk exposure in line with the desired positioning from month to month and, in any event, within the defined appetite thresholds; it also performs second-level control over Finance operations and the risk exposure measured month by month.

Sensitivity indicator "Market Value of Equity" (MVE)

This metric aims to quantify interest rate risk sensitivity in order to enable monitoring; in particular, it quantifies the effect of a change in the interest rate yield curve, under different scenarios, on equity. With the implementation of the corporate *tool*, in addition to the standard management scenarios of +/-100 bps parallel shocks to the curve, all scenarios required by the EBA have been implemented. The following paragraph presents the results obtained by applying the +/-100 basis point scenario (parallel and immediate shock), on which the monthly analysis and interest rate risk decisions are based. The measurement of interest rate risk is therefore performed by assessing the change in the value of interest rate-sensitive financial assets and liabilities (including derivative instruments (*Interest Rate Swap*)), as interest rates vary; the sensitivity of the *Market Value of Equity* is calculated as the difference between the present value of all future cash flows discounted using market yield curves and the present value of the future cash flows discounted using stressed yield curves.

Sensitivity indicator "Net Interest Margin" (NIM)

This indicator aims to quantify and monitor interest rate risk sensitivity; in particular, it quantifies the effect of a parallel and symmetric shift in the interest rate yield curve, under different scenarios, on net interest income (analysis period: 12 months). With regard to interest rate *shift* scenarios, please refer to the previous paragraph.

The indicators at the reporting date are set out below:

+100 bps MM	MVE	NIM
Sensitivity	-32,5	-4,01
Limite	82,4	46,9

-100 bps MM	MVE	NIM
Sensitivity	34,6	-0,15
Limite	82,4	46,9

1.2.3 Foreign exchange risk

The Group is not subject to foreign exchange risk.

1.3 Derivative instruments and hedging policies

1.3.1 Trading derivatives

A. Financial derivatives

A.1 Trading financial derivatives: end-of-period notional amounts

Underlying assets / Type of derivatives	Totale 31/12/2025				Totale 31/12/2024			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	-	14,706,866	-	-	-	10,917,526	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	14,706,866	-	-	-	10,917,526	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**14,706,866**	**-**	**-**	**-**	**10,917,526**	**-**

A.2 Trading financial derivatives: gross positive and negative fair value – breakdown by products

Types of derivatives	Total 12/31/2025				Total 12/31/2024			
	Over the counter			Mercati organizzati	Over the counter			Mercati organizzati
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With clearing arrangements	Without clearing arrangements			With clearing arrangements	Without clearing arrangements	
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	56,455	-	-	-	72,671	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**56,455**	**-**	**-**	**-**	**72,671**	**-**
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	59,769	-	-	-	74,806	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**59,769**	**-**	**-**	**-**	**74,806**	**-**

A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair value by counterparties

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	14,706,866	-	-
- positive fair value	X	56,455	-	-
- negative fair value	X	59,769	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual maturity of OTC financial derivatives: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		1,797,770	6,212,457	6,696,640	14,706,866
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivatives on currencies and gold		-	-	-	-
A.4 Financial derivatives on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**12/31/2025**	**1,797,770**	**6,212,457**	**6,696,640**	**14,706,866**
Total	**12/31/2024**	**2,045,386**	**3,065,850**	**5,806,291**	**10,917,526**

B. Credit derivatives

The Group has no credit derivatives outstanding at the reporting date.

1.3.2 Hedge accounting

Qualitative information

A. Fair value hedging activities

The hedging activity carried out by the Group aims to immunise the banking book from changes in the fair value of loans caused by movements in the interest rate yield curve (interest rate risk).

The Group adopts macro fair value hedges, applying them to a portion of fixed-interest-rate loans; for this type of hedging, in line with the carve-out version of IAS 39, it uses an open portfolio general hedge model based on an approach that includes the modelling of the prepayment phenomenon.

The main types of derivatives used are interest rate swaps (IRS) and options.

Derivatives are not quoted on regulated markets but are traded over the counter (OTC).

The effectiveness of macro hedges is periodically verified based on specific prospective and retrospective tests aimed at demonstrating that the portfolio eligible for hedging contains an amount of assets whose sensitivity profile and whose fair value changes for interest rate risk reflect those of the derivatives used for hedging.

B. Cash flow hedging activities

The hedging activity carried out by the Group aims to hedge exposure to changes in future cash flows, attributable to movements in the interest rate yield curve, associated with a particular liability, such as future variable interest payments on a debt.

The Group adopts micro cash flow hedges, applying them to floating interest rate funding consisting of ABS instruments placed on the market, in line with IFRS 9, through a specific hedge model.

The main types of derivatives used are interest rate swaps (IRS).

Derivatives are not quoted on regulated markets but are traded over the counter (OTC).

Hedge effectiveness is verified using the Dollar Offset Method. This method is based on the ratio between the cumulative changes (since hedge inception) in the fair value or cash flows of the hedging instrument, attributable to the hedged risk, and the cumulative changes in the fair value or cash flows of the hedged item (so-called delta fair value), net of the accrual component of interest accrued.

C. Hedging of foreign investments

The Group has no foreign investment hedging activities.

D. Hedging instruments

The main causes of the ineffectiveness of the hedge effectiveness testing model are attributable to the following phenomena:

- misalignment between the notional amount of the derivative and the hedged underlying identified at the time of initial designation or arising subsequently, as in the case of partial repayments of loans;
- application of different curves to the hedging derivative and the hedged item for the purposes of performing the effectiveness test on fair value hedges.
- inclusion, in the effectiveness test, of the value of the floating leg of the hedging derivative.

Hedge ineffectiveness is promptly recognised for the purposes of:

- determining the effect on the income statement;
- assessing the possibility of continuing to apply hedge accounting rules.

The Group does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

E. Hedged items

The main types of hedged items are:

- <u>fixed-rate loans;</u>

  The portfolio of loans subject to hedging (macro fair value hedge) is an open portfolio, i.e., it is dynamically composed of fixed-rate loans hedged, on an aggregated basis, through hedging derivatives entered into over time.

- <u>floating-rate funding consisting of ABS securities placed on the market.</u>

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: end-of-period notional amounts

Underlying assets / Type of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	1,509,000	5,094,856	-	-	487,000	3,528,952	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	1,509,000	5,094,856	-	-	487,000	3,528,952	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Goods	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**1,509,000**	**5,094,856**	**-**	**-**	**487,000**	**3,528,952**	**-**

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by products

Types of derivatives	Positive and negative fair value								Changes in value used to calculate hedge ineffectiveness	
	Total 12/31/2025				Total 12/31/2024				Total	Total
	Over the counter			Organized markets	Over the counter			Organized markets	12/31/2025	12/31/2024
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties				
		With clearing arrangements	Without clearing arrangements			With clearing arrangements	Without clearing arrangements			
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	5,867	11,635	-	-	1,212	8,827	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**5,867**	**11,635**	**-**	**-**	**1,212**	**8,827**	**-**	**-**	**-**
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	580	17,586	-	-	846	32,592	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**580**	**17,586**	**-**	**-**	**846**	**32,592**	**-**	**-**	**-**

A.3 OTC hedging financial derivatives: notional amounts, gross positive and negative fair value by counterparties

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	5,094,856	-	-
- positive fair value	X	11,635	-	-
- negative fair value	X	17,586	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	1,509,000	-	-
- positive fair value	-	5,867	-	-
- negative fair value	-	580	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual maturity of OTC hedging financial derivatives: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		1,885,299	4,517,653	200,904	6,603,856
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivative contracts on currency and gold		-	-	-	-
A.3 Financial derivative on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**12/31/2025**	**1,885,299**	**4,517,653**	**200,904**	**6,603,856**
Total	**12/31/2024**	**1,342,604**	**2,480,630**	**192,718**	**4,015,952**

B. Hedging credit derivatives

The Group has no hedging credit derivatives outstanding at the reporting date.

C. Non-derivative hedging instruments

The Group has no non-derivative hedging instruments outstanding at the reporting date.

D. Hedged instruments

D.1 Fair value hedges

The Group has not applied the new accounting rules for hedge accounting transactions pursuant to IFRS 9.

D.2 Cash flow and foreign invenstments hedges

		Change in value used to detect hedging ineffectiveness	Hedging reserves	Cessation of hedging: residual value of hedging reserves
A. Coverage of Financial flows				
1. Assets		-	-	-
1.1 Debt securities and interest rate		-	-	-
1.2 Equity securities and stock price indices		-	-	-
1.3 Currencies and gold		-	-	-
1.4 Credits		-	-	-
1.5 Other		-	-	-
2. Liabilities		-	1,045	-
1.1 Debt securities and interest rate		-	1,045	-
1.2 Currencies and gold		-	-	-
1.3 Other		-	-	-
Total (A)	**12/31/2025**	**-**	**1,045**	**-**
Total (A)	**12/31/2024**	**-**	**-**	**-**
B. Coverage Foreign Investments		**X**	**-**	**-**
Total (A+B)	**12/31/2025**	**-**	**1,045**	**-**
Total (A+B)	**12/31/2024**	**-**	**-**	**-**

E. Effects of hedging transactions recognised in shareholder's equity

	Reserve hedging financial flows					Reserve hedging foreign investments				
	Debt securities and interest rate	Equity securities and stock price indices	Currencies and gold	Credits	Others	Debt securities and interest rate	Equity securities and stock price indices	Currencies and gold	Credits	Others
Initial balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in Fair Value	1,045	-	-	-	-	-	-	-	-	-
Transfer to P&L	-	-	-	-	-	-	-	-	-	-
of which: future transaction not expected	-	-	-	-	-	X	X	X	X	X
Other variations	-	-	-	-	-	-	-	-	-	-
of wich: transfer to initial book value	-	-	-	-	-	X	X	X	X	X
Final balance	**1,045**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Hedging instruments (items not designated)			
	Time value option		Forward value and differential foreign currency	
	Hedging related to operation	Hedging related to a period	Hedging related to operation	Hedging related to a period
Initial balance	**-**	**-**	**-**	**-**
Changes in value	-	-	-	-
Transfer to P&L	-	-	-	-
Other variations	-	-	-	-
Final balance	**-**	**-**	**-**	**-**

1.3.3 Other information on derivative instruments (trading and hedging)

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparties

	Central counterparty	Banks	Other financial companies	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional amount	-	21,310,722	-	-
- positive fair value	-	62,322	-	-
- negative fair value	-	60,349	-	-
2) Equity instrument and stock index				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currency and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Goods				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
B. Credit derivatives				
1) Hedge purchase				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Hedge sale				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

1.4 Liquidity risk

Qualitative information

A. General aspects, management and measurement methods for liquidity risk

Liquidity risk is defined as the risk that the Group is unable to meet its payment obligations due to the inability both to raise funds in the market (*funding liquidity risk*) and to liquidate its assets (*market liquidity risk*).

The establishment of an adequate system of governance and management of this risk plays a key role in maintaining the stability of the Group and the market, since imbalances of a single financial institution may have systemic repercussions. This system must be integrated into the overall risk management framework and provide for effective controls consistent with the evolution of the reference context.

Santander Consumer Bank's internal system for controlling and managing liquidity risk is developed within the Group's *Risk Appetite Framework* and in compliance with the maximum liquidity risk tolerance thresholds approved therein, which stipulate that the Group must maintain an adequate liquidity position to withstand periods of stress, including prolonged ones, in the various funding markets, also through the establishment of adequate liquidity reserves represented by *marketable* securities eligible for refinancing with Central Banks. To this end, the maintenance of a balanced relationship between inflows and outflows is required both in the short and in the medium-to-long term. This objective is set out in the Group's document hierarchy consisting of *Framework*, Models and *Policy* relating to liquidity risk and approved by the Corporate Bodies.

Liquidity provisions introduced by the European Union starting from June 2013 and subsequently updated provide that banks must comply with:

- the minimum short-term liquidity coverage requirement (*Liquidity Coverage Ratio* - LCR), as provided for by Article 38 of Delegated Regulation (EU) 2015/61 and its supplements/amendments (minimum level of 100% from 1 January 2018);
- the minimum structural liquidity requirement (*Net Stable Funding Ratio* - NSFR), whose minimum level of 100% entered into force from June 2021, following the final approval and subsequent publication in the Official Journal, which took place in May 2019, of the banking reform package containing Directive (EU) 2019/878 (so-called CRD V) and Regulation 2019/876 (so-called CRR II).

Internal regulations describe the tasks of the various corporate functions, the rules and the set of control and management processes aimed at ensuring prudent management of liquidity risk, preventing the onset of crisis situations. To this end, they include procedures for identifying risk factors, measuring risk exposure and verifying compliance with limits, as well as the rules for performing stress tests and identifying appropriate risk mitigation initiatives, in addition to preparing contingency plans and information reporting to corporate bodies.

The essential principles underpinning the internal liquidity risk control and management system defined by these Guidelines are:

- the presence of a liquidity management policy approved by senior management and clearly communicated within the institution;
- the existence of an operating structure that operates within assigned limits and a control structure independent from the first line;
- the constant availability of adequate liquidity reserves in relation to the chosen liquidity risk tolerance threshold;
- the assessment of the impact of different scenarios, including stress scenarios, on inflows and outflows over time and on the quantitative and qualitative adequacy of liquidity reserves;
- liquidity management in stressed conditions that takes into account the guidelines on the governance of crisis management processes within the *Liquidity Contingency Plan*.

The Group's internal regulations define in detail the tasks assigned to the Corporate Bodies and set out at top level certain important duties such as the approval of measurement indicators, the definition of the main assumptions underlying stress scenarios and the composition of the attention thresholds used to trigger contingency plans.

The Risk Department is directly responsible for second-level controls and, as an active participant in the management committees (ALCO - *Asset Liability Committee*), plays a primary role in managing and disseminating information on liquidity risk, contributing to the overall improvement of the Group's awareness of its current position. In particular, it ensures the measurement, both point-in-time and forward-looking, under normal and stress conditions, of the Group's exposure to liquidity risks, verifying compliance with limits and activating, in the event they are exceeded, reporting procedures vis-à-vis the competent Corporate Bodies and monitoring the agreed remedial actions in the event of any breaches.

Internal Audit assesses the functionality of the overall control system framework governing the process of measuring, managing and controlling the Group's exposure to liquidity risk and verifies the adequacy and compliance of the process with the requirements established by regulations. The outcomes of the controls performed are submitted, at least annually, to the Corporate Bodies.

The measurement metrics and liquidity risk mitigation tools are formalised in internal documentation that defines the methodological framework of both short-term and structural liquidity indicators.

Liquidity indicators, in line with the above, focus on short-term and long-term metrics.

With regard to the short term, the LCR aims to measure the short-term liquidity risk profile by ensuring the holding of sufficient unencumbered high-quality liquid assets (HQLA – *High Quality Liquid Assets*) that can be easily and immediately converted into cash in private markets to meet cash needs over 30 days under a stress scenario. To this end, the *Liquidity Coverage Ratio* measures the ratio between:

- the value of the stock of HQLA;
- total net cash outflows calculated according to the scenario parameters defined by Delegated Regulation (EU) 2015/61.

From a medium/long-term perspective, the *Net Stable Funding Ratio* (NSFR) is intended to promote greater reliance on stable funding, avoiding maturity mismatches. To this end, it sets a minimum "acceptable" amount of funding with a maturity greater than one year in relation to needs arising from the liquidity characteristics and residual maturity of on- and off-balance sheet assets and exposures.

Main strategic guidelines

The Group follows the following strategic guidelines in terms of liquidity risk management:

- diversify its sources of funding both in terms of stabilising them and in terms of the maturity profile of the related commitments;
- optimise funding costs;
- manage liquidity risk as a whole in a prudent and balanced manner.

Quantitative information

1. Contractual maturity profile of financial assets and liabilities by residual maturity

Items/Time	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
A. On-balance sheet assets	**1,503,106**	**72,836**	**364,363**	**270,376**	**1,201,846**	**1,976,638**	**3,361,320**	**8,986,829**	**1,406,810**	**15,119**
A.1 Government securities	-	-	51,738	-	525	50,950	204,450	102,775	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,503,106	72,836	312,626	270,376	1,201,321	1,925,688	3,156,870	8,884,054	1,406,810	15,119
- Banks	1,245,681	296	20	64	641	644	593	404	-	15,119
- Customers	257,426	72,540	312,606	270,313	1,200,680	1,925,044	3,156,276	8,883,650	1,406,810	-
B. On-balance sheet liabilities	**1,026,403**	**50,723**	**41,845**	**128,314**	**852,565**	**1,142,811**	**2,271,474**	**7,666,945**	**4,276,723**	**-**
B.1 Deposits and current accounts	1,019,516	17,383	20,611	30,004	87,361	172,398	214,421	81,864	-	-
- Banks	12,525	-	-	-	-	-	-	-	-	-
- Customers	1,006,991	17,383	20,611	30,004	87,361	172,398	214,421	81,864	-	-
B.2 Debt securities	-	-	-	-	360,703	339,841	631,281	2,577,232	4,069,861	-
B.3 Other liabilities	6,888	33,340	21,234	98,309	404,501	630,571	1,425,772	5,007,849	206,862	-
C. Off-balance sheet transactions										
C.1 Physically settled financial derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Cash settled financial derivatives										
- Long positions	32,491	-	-	181	3,111	3,266	5,464	-	-	-
- Short positions	28,817	-	-	1,231	5,289	6,183	10,430	-	-	-
C.3 Deposit to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Written guarantees	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

With reference to financial assets subject to "self-securitisation", the relevant details are provided below.

Transactions closed during the year

During the year, Stellantis Financial Services Italia repurchased the Auto ABS Italian Rainbow Loans transaction relating to 2020.

Transactions outstanding at the reporting date

At the end of the 2025 financial year, the Group had the following performing transactions outstanding.

Transaction	12/31/2025				
	Class	ISIN Code	Rating Moody's / DBRS	Activities	Outstanding al 31/12
Golden Bar 2022-1	A	IT0005495921	Aa2/AAH		258,011,462
	B	IT0005495939	Aa2/AA	Salary assignment, retirement assignment and delegation of payment.	30,225,282
	Z	IT0005495947	NR / NR		30,225,282

Consequently, in accordance with international accounting standards, these securitised portfolios were not derecognised as the requirements for derecognition were not met.

The Group did not complete any further self-securitisations during 2025, limiting itself to managing the transactions outstanding.

1.5 Operational risks

Qualitative information

A. General aspects, management and measurement methods for operational risk

Operational risk is defined as the risk of incurring losses resulting from the inadequacy or malfunctioning of procedures, human resources and internal systems, or from external events. With regard to the economic loss component, operational risk also includes the following risks: legal, conduct, non-compliance, *financial crime*, IT and *cyber*, physical security, business continuity, financial reporting, third parties and model risk. Strategic and reputational risks are excluded.

The Group adopts an operational risk assumption and management strategy based on prudent management criteria and aimed at ensuring soundness and business continuity over the long term. In addition, particular attention is paid to achieving an optimal balance between growth and profitability objectives and the resulting risks.

In line with these objectives, the Group has long defined a *framework* for operational risk management, establishing rules and organisational processes for the measurement, management and control thereof.

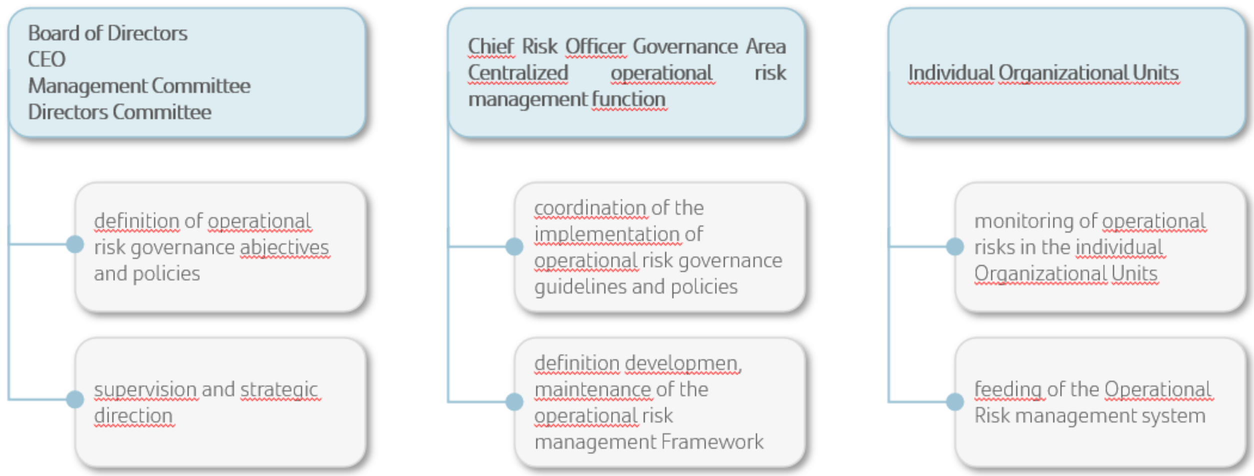
For supervisory purposes, the Group adopts, for the determination of the capital requirement related to operational risk, the methodology provided for by Basel IV, including the subsidiaries Stellantis Financial Services Italia, Stellantis Renting Italia, TIMFin, Santander Consumer Renting and Drive.

Governance model

An effective and efficient operational risk management *framework* requires that it be closely integrated into decision-making processes and the management of business operations. For this reason, the Group has chosen to involve the Organisational Units with direct responsibility in the operational risk management process (i.e., *Operational Risk Management*). The Organisational Units (*business units*, central/support functions) are therefore directly involved.

The operational risk governance model is developed with a view to:

- optimising and enhancing organisational controls, the interrelationships and information flows between the existing Organisational Units, and integrating the operational risk management approach with other corporate models developed for specific risks (e.g., Business Continuity, Information Security, etc.);
- transparency and dissemination of the models, methodologies and analysis, assessment and measurement criteria used, in order to facilitate the process of cultural dissemination and understanding of the rationales underlying the choices adopted.



ICT Risk (*Information Communication Technology*)

ICT Risk is defined as the risk of incurring economic, reputational and market share losses in relation to the use of information and communication technology. In the integrated representation of corporate risks for prudential purposes, this type of risk is considered, depending on the specific aspects, among operational, reputational and strategic risks.

The Group considers the information system to be a tool of primary importance for achieving its strategic, business and social responsibility objectives, also in view of the criticality of the business processes that depend on it. Consequently, it is committed to creating a resilient environment and investing in activities and infrastructure aimed at minimising the potential impact of ICT events and protecting its business, its image, its customers and its employees.

The Group has therefore adopted a system of principles and rules aimed at identifying and measuring the ICT risk to which corporate assets are exposed, assessing the existing controls and identifying appropriate ways of treating such risks, consistent with the operational risk management process.

In line with the methodological framework defined for the governance of operational risks, the ICT risk governance model is developed with a view to integrating and coordinating the specific expertise of the structures involved.

ICT risk includes:

- the *cyber* risk (including information security risk): the risk of incurring economic, reputational and market share losses due to:
  - any unauthorised access or attempted unauthorised access to the Group's information system or to the data and digital information contained therein;
  - any event (malicious or unintentional) facilitated or caused by the use of technology or related to it that has or could have a negative impact on the integrity, availability, confidentiality and/or authenticity of corporate data and information, or on the continuity of business processes;
  - improper use and/or dissemination of digital data and information, including those not directly produced and managed by the Group;
- IT or technological risk: the risk of incurring economic, reputational and market share losses in relation to the use of the corporate information system and linked to malfunctions of hardware, software and networks.

Following the new provisions contained in the 40th update of Circular No. 285 on the "Supervisory Provisions for Banks", implementing the "Guidelines on ICT and security risk management" issued by the EBA in September 2019, a second-level control function was established for the management and control of ICT and security risks, which has primary responsibility for managing and overseeing ICT and security risks.

Legal risk

At the reporting date, at Group level there were approximately 4,916 pending passive disputes, other than tax litigation, with a total amount claimed of approximately EUR 18,419,590 (of which EUR 17,018,756 relates to the Parent Company). This amount is largely determined by a number of ongoing disputes for which the risk of an outflow of economic resources arising from potential defeat has been assessed as possible.

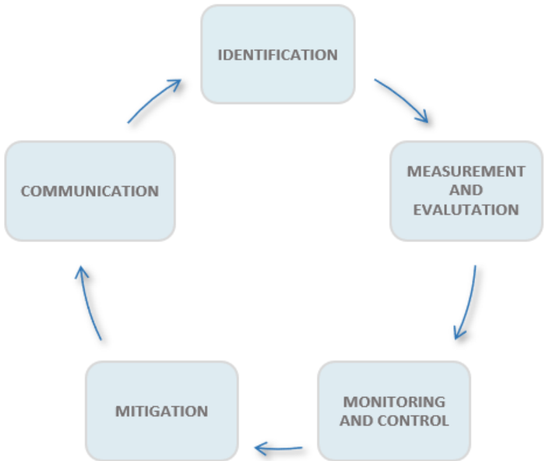
The risks related to the above positions were subject to specific and careful analysis, also with the support of leading external law firms. Where litigation is estimated to have a probability of outflow greater than 50% and where a reliable estimate of the related amount can be made (so-called disputes with probable risk), specific and adequate provisions were made to the Provision for Risks and Charges. Without prejudice to the uncertainty inherent in any litigation, the estimate of the obligations that could arise from disputes – and therefore the amount of any provisions established – derives from forward-looking assessments of the outcome of the proceedings. These forward-looking assessments are in any case made on the basis of all information available at the time of estimation.

Net of the issue arising from the judgment of the Court of Justice of the EU, no. 383 of 11 September 2019 (so-called "Lexitor"), the disputes at the above date with probable risk amount to 28, with an amount claimed of EUR 227,942 and provisions of EUR 339,395. The breakdown by main categories of disputes with probable risk shows a prevalence of cases related to the Group's ordinary banking and lending activity. With regard to the "Lexitor" issue, relating in particular to the salary-backed loan product (cessione del quinto), reference is made to the section "D – Matters of note" of the Consolidated Directors' Report.

For further quantitative information, please refer to the Notes to the Consolidated Financial Statements – Part B – Provisions for risks and charges.

Group Operational Risk Management Process

The Group's operational risk management process is divided into the following phases:



Identification

The identification phase includes the activities of collecting and classifying qualitative and quantitative information that make it possible to identify and describe the Group's potential areas of operational risk. In particular, it provides for:

- the collection and updating of data on operational events (*Loss Data Collection*), decentralised to the Organisational Units;
- the identification of business processes and information system components with the greatest potential risk;
- determining the applicability and relevance of the defined operational risk factors;
- identifying projects that will entail significant changes to the information system;
- the identification of relevant risk scenarios, also depending on the external context (e.g., external loss data, regulatory developments, emerging trends, *strategic* and *threat intelligence*);

- the identification and analysis of critical issues affecting the Group's operating areas.

Measurement and assessment

The measurement and assessment phase includes the activities of determining, on a qualitative and quantitative basis, the Group's exposure to operational risks. It provides for:

- carrying out, at least annually, the self-assessment process of exposure to operational and ICT risk (Self-assessment);
- performing preventive analyses of operational and ICT risks arising from agreements with third parties (e.g., outsourcing), business transactions or project initiatives, the introduction or revision of new products and services, the launch of new activities and entry into new markets;
- defining the materiality of the critical issues identified;
- transforming the assessments collected (e.g., internal and external operational loss data, levels of controls over risk factors, probability and impact in the event that risk scenarios materialise) into summary risk measures;
- determining economic and regulatory capital through the internal model and the simplified methods defined by the applicable regulations.

Monitoring and control

The monitoring phase aims to analyse and continuously monitor the evolution of exposure to operational risks, based on the structured organisation of the results obtained from identification and assessment/measurement activities and on the observation of indicators that represent a good proxy for exposure to operational risks (e.g., limits, *early warning* indicators and other indicators defined within the RAF).

Mitigation

The mitigation phase includes the activities aimed at containing exposure to operational risks, defined on the basis of the results of identification, measurement, assessment and monitoring. It provides for:

- identifying, defining and implementing corrective actions (so-called mitigation actions) necessary to fill the identified control gaps or to bring the materiality of the identified critical issues within the defined tolerance;
- promoting initiatives aimed at spreading operational risk culture within the Group;
- defining strategies for transferring operational risks, in terms of optimising insurance coverage and any other forms of risk transfer adopted by the Group from time to time.

In this regard, in addition to benefiting from a traditional insurance programme (covering unlawful acts such as employee dishonesty, theft and damage, cash-in-transit, computer fraud, forgery, *cyber*, fire and earthquake, as well as third-party liability), the Group has taken out, in compliance with the requirements established by regulations and in order to benefit from the capital benefits provided therein, an insurance policy called *Operational Risk Insurance Programme* which provides an ad hoc cover, significantly increasing the insured limits, with a transfer to the insurance market of the risk arising from significant operational losses.

Furthermore, with regard to risks related to properties and infrastructure, and in order to contain the impacts of phenomena such as catastrophic environmental events, international crisis situations and social protest events, the Group can activate its business continuity solutions.

Communication

The communication phase includes the preparation of suitable information flows related to operational risk management, aimed at providing useful information, for example, for:

- analysing and understanding any dynamics underlying the evolution of the level of exposure to operational risks;
- analysing and understanding the main critical issues identified;
- defining mitigation actions and intervention priorities.

Self-assessment

Self-assessment is the annual process through which the Organisational Units identify their level of exposure to operational and ICT risk. It includes the *Operational Risk Assessment* and the ICT *Risk Assessment*, which are in turn made up of:

- Operating Context Assessment (VCO): activity through which the relevant Risk Factors are identified and the corresponding level of control is assessed;
- Scenario Analysis (AS): forward-looking analysis methodology implemented through a systematic process, typically repeated at a predefined frequency but which can also be carried out on an ad hoc basis, consisting of hypothesising the occurrence of particular situations (or scenarios) and forecasting their consequences. Once identified and appropriately characterised, scenarios must be assessed; that is, the probability of occurrence (frequency) and potential impact (average impact and worst case), in the event of occurrence, of the situation described by the scenario itself must be determined.

Quantitative information

The theoretical unexpected losses, determined through the application of the regulatory method, amount to EUR 88.9 million.

Losses recognised during the year (Source: EDB – Events Database), on the other hand, are presented as follows:

Risk Type	Net Losses	Net Provisions	Addition, uses and recoveries	Net Op. Risk Impact
Internal Fraud				
External Fraud	3,597		-194	3,403
Employment, pratises & Workplace Safety				
Clients, Products & Business Practices	7,018	619	-252	7,384
Damage to physical Assets				
Business Disruption & System Failures	798		-4,004	-3,206
Execution, Delivery & Process Management	926		-16	910
TOTAL	**12,338**	**619**	**-4,465**	**8,491**

The line item "business disruption and system failures" refers to an IT incident, for which an insurance reimbursement was received in 2025.

Section 3 – Risks of insurance undertakings

There are no insurance undertakings within the scope of consolidation.

Section 4 – Risks of other companies

There are no other active companies within the scope of consolidation.

Part F – Information on Consolidated shareholder's equity

Section 1 – Consolidated shareholder's equity

A. Qualitative information

Capital adequacy at both consolidated level and at the level of each subsidiary is safeguarded by capital management activities, under which—within the applicable regulatory constraints and consistently with the Group's risk profile—the size and the optimal mix of the various capitalisation instruments are defined.

The Group assigns a priority role to the management and allocation of capital resources, both as a strategic lever and as a tool to ensure the consistency of business units' operating plans. In this context, the Group uses the Return on Risk-Weighted Assets (RoRWA) indicator, which summarises the return on risk-weighted assets, as the primary tool for strategic decision-making.

Once the strategic objectives in terms of profitability, capital strength and liquidity that the Group intends to pursue have been defined, capital and financial resources are allocated to the business units through a process that assesses their growth potential, value-creation capacity and financial autonomy.

The capital at risk considered is twofold:

- regulatory capital for Pillar 1 risks;
- overall internal capital for Pillar 2 risks, for the purposes of the ICAAP process.

Regulatory capital and overall internal capital differ in terms of definition and the categories of risk covered. The former derives from the frameworks set out in supervisory regulations, whereas the latter derives from management measurements.

Accordingly, capital management activities and the Risk Appetite Framework (RAF) consist in governing current and forward-looking capital adequacy through careful monitoring of both Pillar 1 regulatory constraints (from 1 January 2014 under the Basel III rules) and Pillar 2 internal constraints. Projections are also produced under stress scenarios in order to ensure that available resources are adequate to cover all risks even in adverse economic conditions.

Each year, as part of the process of setting budget targets, a compatibility assessment of projections is performed at both consolidated level and individual subsidiary level. Depending on expected developments in balance-sheet and income-statement aggregates, where necessary the appropriate capital management actions are identified already at this stage, in order to ensure that each business unit has the necessary financial resources. On a quarterly basis, compliance with capitalisation levels is monitored, and, where necessary, appropriate actions are taken.

Compliance with capital adequacy is pursued through various levers, such as the dividend distribution policy, the definition of strategic finance transactions (capital increases, issuance of subordinated bonds, disposal of non-strategic assets, etc.) and the management of investments—particularly lending—based on counterparties' risk profiles.

Further analyses for the preventive control of capital adequacy are carried out in connection with extraordinary transactions (mergers, acquisitions, disposals, etc.), both within the Group and those that modify its scope.

Minimum regulatory requirements

Following the Supervisory Review and Evaluation Process (SREP), the Regulator annually issues the final decision on the capital requirement that the Group must comply with at consolidated level. For 2024, the SREP results in the application of minimum regulatory requirements and an additional Capital Conservation Buffer of 2.50%, leading to the following ratios:

- *Common Equity Tier 1 equal to 7.00%;*
- *Tier 1 equal to 8.50%;*
- *Total Capital equal to 10.50%.*

In addition, the Bank of Italy decided to apply to all banks authorised in Italy (both at consolidated and individual level) a Systemic Risk Buffer (SyRB) equal to 1% of credit and counterparty risk exposures to residents in Italy. The target rate was reached gradually by building up a buffer equal to 0.5% of relevant exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025.

Developments in prudential regulation

Own funds, risk-weighted assets (Risk-Weighted Assets – RWA) and solvency ratios are determined in accordance with the harmonised framework for banks and investment firms set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) No 575/2013 (CRR) of 26 June 2013, as amended respectively by Directive (EU) 2019/878 (CRD V) and Regulation (EU) 2019/876 (CRR II), which transpose into the European Union the standards defined by the Basel Committee on Banking Supervision (the so-called Basel 3 framework), and on the basis of Bank of Italy Circular No. 285. The CRR referred to above was subsequently supplemented by Commission Delegated Regulation (EU) No 241/2014 containing regulatory technical standards on own funds requirements for institutions, in turn amended first by Delegated Regulation (EU) 2015/923, which addresses indirect and synthetic holdings, and subsequently by Delegated Regulation (EU) No 2020/2176 on the prudential treatment of software, as described below.

In 2017, the transitional phase of the "Basel 3" framework—which provided for the partial recognition or deduction from own funds of certain items as set out in CRD IV and the CRR—came to an end, and in 2018 the derogation period relating to the amendments to be applied to IAS 19 also ceased, with the filter on reserves for actuarial gains and losses.

Starting from 1 January 2018, the transitional period (2018–2022) aimed at mitigating the capital impacts associated with the introduction of the new IFRS 9 accounting standard began. In this context, by exercising the option provided for by Regulation (EU) 2395/2017, the Group elected not to apply transitional arrangements, considering its level of capitalisation.

Since 26 April 2019, Regulation (EU) 2019/630 of 17 April 2019 amending the CRR has been in force; it introduced a deduction to be applied to CET1 where minimum loss coverage for non-performing exposures is insufficient. Such coverage is determined on the basis of differentiated provisioning percentages for secured and unsecured exposures, as well as a predefined timeline for reaching the target level of coverage (so-called "calendar provisioning").

In addition, on 22 December 2020, Delegated Regulation (EU) 2020/2176 was introduced, amending Delegated Regulation (EU) No 241/2014 with regard to the deduction of software assets from Common Equity Tier 1 items. The Regulator's aim is to support the transition towards a more digitalised banking sector by introducing the concept of prudential amortisation applied to all software assets over a three-year period, regardless of their estimated useful life for accounting purposes. In this context, by exercising the option provided for by the Regulation, the Group elected to apply this regime.

Basel IV

On 19 June 2024, the European Union published the final version of the "Basel IV" rules, effective from 2025, except for specific cases, through the issuance of Directive (EU) 2024/1619 (CRD VI) and Regulation (EU) 2024/1623 (CRR III).

The main innovations introduced by the aforementioned regulation are as follows:

- Prudential consolidation perimeter: revision of the prudential consolidation scope to include ancillary undertakings, effective from July 2024;
- Standardised approach for credit risk: revision of the standardised approach in order to improve the allocation of RWAs, effective from January 2025. The main aggregates affected were unrated exposures, exposures secured by real estate and off-balance-sheet exposures (guarantees and commitments);
- Internal model for credit risk: revision of the internal model aimed at limiting unexpected variability, effective from January 2025, through the introduction of a base parameter known as the "output floor", intended to limit RWAs to 72.5% of those calculated under the Standardised approach;
- Standardised approach for operational risk: introduction of a new standardised approach, effective from January 2025, designated as the single method for assessing operational risks and based on the size of the credit institution;
- Market risk approaches: introduction of three new methodologies, effective from January 2026, namely the standardised (SA-CVA), basic (BA-CVA) and simplified approach (applicable only if certain conditions, as specified in the regulation, are met).

The framework described above applied to the entire Santander Group.

As regards the impacts realised in 2025, they mainly concerned the methodological revision of credit and operational risk.

Credit risk was mainly affected by the update of the definition of SMEs (now based solely on turnover and total exposure).

Operational risk is linked to the determination of the new indicator based on the size of the institution's activity (Business Indicator Component, BIC), derived from the sum of the average three-year Business Indicator (BI) components relating to interest and dividends (ILDC), services (SC) and financial items (FC), adjusted by an incremental Beta coefficient depending on the size of the undertaking's BI. This resulted in an increase in RWAs of EUR 31.3 million at individual level and EUR 63.9 million at consolidated level.

B. Quantitative information

B.1 Consolidated shareholder's equity: breakdown by type of business

Equity items	Prudential consolidation	Insurance companies	Other companies	Consolidation adjustments and eliminations	Total
1. Capital	760,520	-	-	(97,765)	662,755
2. Emission Fees	24,177	-	-	(11,772)	12,405
3. Reserves	1,082,732	-	-	(209,087)	873,644
4. Capital Instruments	-	-	-	-	-
5. (Own shares)	-	-	-	-	-
6. Valuation reserves:	1,279	-	-	-	1,279
- Equity instruments designated at fair value through other comprehensive income	-	-	-	-	-
- Hedge accounting of equity instruments designated at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (different from equity instruments) at fair value through other comprehensive income	25	-	-	-	25
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Foreign investment coverage	-	-	-	-	-
- Cash flow hedges	1,045	-	-	-	1,045
- Hedging instruments [Unspecified Elements]	-	-	-	-	-
- Exchange differences	-	-	-	-	-
- Non-current assets and groups of assets held for sale	-	-	-	-	-
- Financial liabilities designated at fair value with impact on the income statement (changes in their creditworthiness)	-	-	-	-	-
- Actuarial gains (losses) on defined benefit plans	209	-	-	-	209
- Provisions for valuation reserves related to equity investments valued at shareholders' equity	-	-	-	-	-
- Special revaluation laws	-	-	-	-	-
7. Net (Loss) (+/-) of Group and minorities	181,247	-	-	(45,585)	135,662
Shareholders' equity	**2,049,954**	**-**	**-**	**(364,210)**	**1,685,744**

B.2 Valuation reserves on financial assets measured at fair value through other comprehensive income: composition

Assets/values	Prudential consolidation		Insurance companies		Other companies		Consolidation adjustments and eliminations		Total	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	25	-	-	-	-	-	-	-	25	-
2. Equity securities	-	-	-	-	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-	-	-	-	-
Total 12/31/2025	**25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25**	**-**
Total 12/31/2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B.3 Valuation reserves on financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	-	-	-
2. Positive changes	25	-	-
2.1 Fair value increases	25	-	-
2.2 Value adjustments for credit risk	-	X	-
2.3 Transfer to the income statement of negative reserves to be realized	-	X	-
2.4 Transfers to other equity (capital securities)	-	-	-
2.5 Other changes	-	-	-
3. Negative changes	-	-	-
3.1 Fair value reductions	-	-	-
3.2 Write-backs for credit risk	-	-	-
3.3 Reclassification through profit or loss of positive reserves – following disposal	-	X	-
3.4 Transfers to other equity (capital securities)	-	-	-
3.5 Other changes	-	-	-
4. Closing balance	**25**	**-**	**-**

B.4 Valuation reserves relating to defined benefit pension plans: annual changes

Valuation reserves relating to defined benefit pension plans, net of the related tax effect, amount to EUR 139 thousand and decreased by EUR 45 thousand compared to the previous year.

Section 2 – Own funds and capital adequacy ratios

The Santander Consumer Bank Group is not required to prepare the public disclosure (Third Pillar), as it is prepared by the Spanish parent company.

In light of this peculiarity, the relevant information is provided in the following tables.

Own funds

Santander Consumer Bank Group – Own Funds	Total	
	12/31/2025	12/31/2024
A. Common Equity Tier 1 (CET1) capital before application of prudential filters	**1,353,069**	**1,282,027**
of which CET1 instruments subject to transitional provisions		
B. Prudential filters CET1 (+/-)	**(32)**	
C. CET1 before items to be deducted and the effects of the transitional arrangements (A +/- B)	**1,353,038**	**1,282,027**
D. Deductions from CET1	**113,141**	**100,255**
E. Transitional regime - Impact on CET1 (+/-)		
F. Common Equity Tier 1 (CET1) capital (C - D +/- E)	**1,239,897**	**1,181,771**
G. Additional Tier 1 (AT1) capital before items to be deducted and the effects of the transitional arrangements	**34,354**	**33,933**
of which AT1 instruments subject to transitional provisions		
H. Deductions from AT1		
I. Transitional regime – Impact on AT1 (+/-)		
L. Additional Tier 1 (AT1) capital (G - H +/- I)	**34,354**	**33,933**
M. Tier 2 (T2) capital before items to be deducted and the effects of the transitional arrangements	**191,343**	**193,293**
of which T2 instruments subject to transitional provisions		
N. Deductions from T2		
O. Transitional regime - Impact on T2 (+/-)		
P. Tier 2 (T2) capital (M - N +/- O)	**191,343**	**193,293**
Q. Total own funds (F + L + P)	**1,465,593**	**1,408,997**

Common Equity Tier 1 capital consists of accounting shareholders' equity, net of the Group's profit and of minority interests to the extent of the portion eligible for inclusion, amounting to EUR 241,270 thousand (EUR 236,429 thousand in 2024), with the following adjustments:

- deduction of intangible assets, in excess of the applicable risk-weighting rules, amounting to EUR 85,118 thousand (EUR 98,463 thousand in 2024);
- deduction of positions relating to STS securitisations amounting to EUR 25,370 thousand (EUR 23,191 thousand in 2024);
- deduction of the minor accounting write downs compared to the Calendar Provisioning requirements amounting to EUR 2,238 thousand (EUR 1,612 thousand in 2024);
- deduction of deferred tax assets that rely on future profitability and do not arise from temporary differences, net of related deferred tax liabilities, amounting to EUR 415 thousand (EUR 5,682 thousand in 2024).

Additional Tier 1 capital and Tier 2 capital consist of issued instruments deemed eligible. These instruments are recognised on the basis of the time criterion set out in the regulation.

Supervisory ratios

Value	Non-risk-weighted assets		Risk-weighted assets	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
A. RISK ASSETS				
A.1 Credit and counterparty risk	11,972,743	12,491,469	7,674,649	8,089,421
1. Standardized approach	11,972,743	12,491,469	7,674,649	8,089,421
2. IRB approach				
2.1 Foundation				
2.2 Advanced				
3. Securitizations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			595,883	658,228
Credit valuation adjustment (CVA) risk				
Settlement risk				
B.4 Market Risk				
1. Standardized approach				
2. Internal models				
3. Concentration risk				
B.5 Operational risk			88,882	57,469
1. Basic indicator approach (BIA)				35,463
2. Traditional standardized approach (TSA)			88,882	22,007
3. Advanced measurement approach (AMA)				
B.6 Other calculation elements				
B.7 Total capital requirements			684,766	715,697
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Weighted risk assets			8,559,570	8,946,215
C.2 Common Equity Tier 1 capital / Risk-weighted assets (CET1 ratio)			14.49%	13.21%
C.3 Tier 1 capital / Risk-weighted assets (Tier 1 ratio)			14.89%	13.59%
C.4 Total own funds / Risk-weighted assets (Total capital ratio)			17.12%	15.75%

Part G – Business combinations involving companies or business units

Section 1 – Transactions carried out during the year

The Group did not carry out any business combinations involving companies or business units during the year.

Section 2 – Transactions subsequent to the year end

The Group did not carry out any business combinations involving companies or business units after the end of the year.

Section 3 – Retrospective adjustments

The Group did not make any retrospective adjustments.

Part H – Related-party transactions

As required by Commission Regulation (EU) No 632/2010 of 19 July 2010, IAS 24 defines the concept of a related party and identifies the relationship between the related party and the entity that prepares the financial statements.

Based on these definitions, related parties include:

- significant shareholders, as well as their subsidiaries (including jointly controlled subsidiaries) and associates;
- key management personnel;
- close members of the families of shareholders and key management personnel, and entities controlled (including jointly controlled) by such persons or by their close family members.

For the purposes of managing related-party transactions, reference is made to the rules set out in CONSOB Regulation No. 17221/2010 (issued pursuant to Article 2391-bis of the Italian Civil Code) and to the provisions introduced in 2011 by Title V, Chapter 5 of Bank of Italy Circular No. 263/2006, as well as to the provisions of Article 136 of Legislative Decree No. 385/1993. In this context, Santander Consumer Bank adopted the "Regulations on transactions with related parties" for the management of transactions with parties in conflict of interest, aimed at establishing investigation and approval rules for transactions carried out with related parties and at regulating the procedures to comply with disclosure obligations towards stakeholders.

1. Information on the remuneration of key management personnel

	Management and Control bodies	Other Manager	Totale
Short-term benefits	953	6,168	7,122
Post-employment benefits	-	-	-
Other long-term benefits	-	-	-
Termination indemnities	-	-	-
Share-based payments	-	446	446
Total	**953**	**6,614**	**7,568**

2. Related party disclosures

	Banco Santander	Santander Consumer Finance	Stellantis Group companies	Other Santander Group companies	Tim S.p.A.
A10. Cash and cas balances	189,963		12,550		
A20. Financial assets designated at fair value through profit or loss					
A20a). Financial assets held for trading	56,455				
A20c) Financial assets mandator designed at fair value			2		
A40. Financial assets measured at amortised cost					
A40a) Loans and advances to banks	18,953				
A40b) Loans and advances to costumers		8,181			
A50. Hedging derivatives	14,714				
A100. Intangible assets			485	477	
A130. Other assets			58,859	6,061	8,846
L10. Financial liabilities valued at amortised cost					
L10) Deposits from banks	(17,323)	(7,471,910)	(11,492)	(9)	
L10b) Deposits from costumers			(45,832)	(12,569)	
L10c) Debt securities in issue		(714,191)			
L20. Financial liabilities held for trading	(59,769)				
L80. Other liabilities	(2,105)	(2,353)	(111,087)	(3,107)	(1,885)
L90. Provision for employee severance pay					
L100. Provisions for risks and charges					
L100c) others					
PL10. Interest and similar income	14,695		18,494		25,829
PL20. Interest expenses and similar charges	(14,504)	(285,866)	(3,077)	(176)	(7)
PL40. Fee and commission income			17,565		
PL50. Fee and commission expenses	(477)			(40)	
PL80. Net income financial assets and liabilities held for trading	(2,371)				
PL90. Net hedging gains (losses) on hedge accounting	21,736				
PL190. Administrative costs:					
PL190a) payroll costs			(297)	360	(710)
PL190b) other administrative costs	(2,950)	(559)	(20,005)	(6,396)	(1,718)
PL220. Net adjustments / writebacks on intangible assets			12,421	(105)	
PL230.Other operating income/expenses	(593)		373	16,092	3,514
Derivatives - notional	18,357,190	249,125			

The transactions carried out by the Group with related parties generally fall within the scope of the Group's ordinary operations and are normally entered into on market terms and, in any case, on the basis of mutual economic convenience assessments, in compliance with the internal procedures referred to above.

Relationships with the parent company relate to:

- derivative transactions;
- funding transactions;
- consultancy services received.

Relationships with other Santander Group companies mainly relate to:

- consultancy services received;
- management services provided, with related recharges of out-of-pocket expenses.

With regard to positions with Stellantis Group and TIM companies, the amounts shown are mainly attributable to the ongoing commercial activity carried out by the relevant business lines.

Other information

As required by Article 2427, paragraph 16-bis, of the Italian Civil Code, the total amount of fees due to the statutory audit firm for the year 2025 is reported below. These amounts are shown net of ISTAT indexation, lump-sum expenses, supervisory contribution and VAT.

	Santander Consumer Bank	Santander Consumer Bank	Santander Group Companies	Ssantander Group Companies	Total
Type of services	**BDO**	**PWC**	**BDO**	**PWC**	
Legal audit	126		126	247	499
Voluntary audit		100		160	260
Other services	40		63		63
Total	**166**	**100**	**189**	**407**	**822**

Part I – Share-based payment arrangements

The Group has not entered into share-based payment arrangements based on its own equity instruments.

Part L – Segment reporting

The Group does not present this information as it is not listed and does not issue widely distributed securities.

Part M – Lease disclosures

This Part provides the information required by IFRS 16 that is not presented in the other Parts of the Financial Statements, distinguishing between lessee and lessor.

Section 1 – Lessee

Qualitative information

Real estate leases

Property lease agreements have right-of-use assets amounting to EUR 11.033 thousand (EUR 11.689 thousand in 2024) and mainly include the premises of the Group's companies.

The contracts generally have terms longer than 12 months and typically include renewal and termination options exercisable by the lessor and the lessee in accordance with statutory rules or specific contractual provisions. These contracts usually do not include a purchase option at the end of the lease term or significant restoration costs. Based on the characteristics of the lease contracts and the provisions of Law 392/1978, in the case of signing a new rental agreement with a contractual term of six years and the option to renew the contract tacitly in six-year periods, the overall lease term is assumed to be twelve years. This general indication is overridden where new elements or specific circumstances within the contract exist.

Motor Vehicle leases

Vehicle lease contracts have right-of-use assets amounting to EUR 872 thousand (EUR 319 thousand in 2024) and consist of long-term rentals relating to the company fleet made available to employees (for both business and personal use).

These contracts generally provide for monthly payments, with no renewal option, and do not include a purchase option.

Residual leases

As already stated in the accounting policies, the Group applies the exemptions permitted by IFRS 16 for short-term leases (i.e., with a term of 12 months or less) and leases of low-value assets (i.e., with a value of EUR 5.000 or less), such as hardware and sub-leases.

It is also specified that no sale and leaseback transactions were carried out.

Quantitative information

Reference is made to the Notes to the Financial Statements:

- in Part B – Assets, the information on right-of-use assets acquired through leasing is presented (Table 9.1 – Property and equipment for own use: composition of assets measured at cost);
- in Part B – Liabilities, lease liabilities are presented (Table 1.2 – Financial liabilities measured at amortised cost: breakdown of amounts due to customers) and their breakdown by maturity (Table 1.6 – Finance lease liabilities);
- in Part C, information is provided on interest expense on lease liabilities, other expenses related to right-of-use assets acquired through leasing, and income arising from sub-lease transactions.

The following table presents the quantitative information not included in the references above:

	Leasing low-value	Short term leasing	Proceeds sub-leasing
Total	**6**	**7**	**145**

Section 2 – Lessor

Qualitative information

The entity provides finance and operating leases consisting in granting the right to use cars, motorcycles, motorhomes and commercial vehicles.

In its capacity as lessor, the management of the risk associated with the rights retained by the Group over the underlying assets is carried out through repurchase (buy back) agreements, real guarantees (security deposits) and personal guarantees (bank, insurance and surety bonds).

For contracts in which the entity directly assumes the risk on the residual value of the contract, due to the absence of a buyback agreement with the dealer or the manufacturer, quarterly monitoring is performed, aimed at recognising a residual value provision.

Quantitative information

1. Balance sheet and income statement information

Reference is made to the Notes to the Financial Statements:

- in Part B – Assets, lease receivables are presented (Table 4.2 – Financial assets measured at amortised cost: breakdown of loans and receivables due from customers);
- in Part C, information is provided on interest income on lease financing and other revenues from finance leases.

2. Finance leases

2.1 Classification by time bands of payments to be received and reconciliation with lease receivables recognised under assets

Maturity ranges	Total	Total
	12/31/2025	12/31/2024
	Lease payments receivables	Lease payments receivables
Up to one year	494,822	261,091
Over one year up to 2 years	390,427	255,607
Over 2 years up to 3 years	267,595	289,032
Over 3 years up to 4 years	190,127	206,837
Over 4 years up to 5 years	90,467	163,172
For over 5 years	-	12
Amount of the lease payments receivables	**1,433,438**	**1,175,750**
RECONCILIATION OF THE UNDISCOUNTED LEASE PAYMENTS	(37,022)	(32,442)
Not accrued gains (-)	(37,022)	(32,442)
Not guarantee residual value (-)	-	-
Lease payments	**1,396,416**	**1,143,308**

2.2 Other information

In order to manage residual values arising from assets for which the option was not exercised or that were repossessed following contract termination, the Group has established a sales procedure through dedicated platforms, in order to dispose of the assets as quickly as possible under market conditions.

3. Operating leases

3.1 Classification by time bands of payments to be received

Maturity ranges	Total 12/31/2025 Lease payments receivables	Total 12/31/2024 Pagamenti da ricevere per il leasing
Up to one year	56,468	41,097
Over one year up to 2 years	41,241	30,987
Over 2 years up to 3 years	30,624	21,435
Over 3 years up to 4 years	16,204	13,099
Over 4 years up to 5 years	3,885	4,945
For over 5 years	11	-
Total	**148,433**	**111,562**

3.2 Other information

There is no further information to be reported in this section.

Report on Operations of Santander Consumer Bank S.p.A.

Report on Operations

A – The reference market

A.1 – Macroeconomic scenario

See the consolidated Report on Operations, section A.1 – Macroeconomic scenario.

A.2 – Industry trends

See the consolidated Report on Operations, section A.2 – Industry performance.

B – Performance of interest-bearing assets and liabilities

B.1 – New Business

New business (EUR/MM)	2025	2024	Var.	%
Vehicle	**1,537.1**	**1,248.2**	**288.9**	**23.1%**
- Vehicle loans	1,437.1	1,176.8	260.3	22.1%
- new vehicle	*939.8*	*723.1*	*216.7*	*30.0%*
- used vehicle	*497.3*	*453.7*	*43.6*	*9.6%*
- Financial leasing	100.0	71.4	28.6	40.1%
Consumer loans	**976.9**	**1,211.2**	**(234.3)**	**-19.3%**
- Personal loans	629.2	859.3	(230.1)	-26.8%
- direct	*227.0*	*209.1*	*17.9*	*8.6%*
- Poste	*402.2*	*650.2*	*(248.0)*	*-38.1%*
- Special pourpose loan	274.7	301.3	(26.6)	-8.8%
- Salary assignement	72.2	47.4	24.8	52.3%
- Credit card	0.8	3.2	(2.4)	-75.0%
Total	**2,514.0**	**2,459.4**	**54.6**	**2.2%**

New business volumes for instalment products recorded an increase (+2.2%), driven by the following dynamics:

- the automotive segment increased (+23.1%), mainly thanks to the MG and Tesla agreements;
- the consumer segment decreased (-19.3%), mainly due to lower volumes on personal loans arising from the Poste Italiane agreement and special-purpose financing product; note also the discontinuation of the card product during 2025; for further information, please refer to the information provided below;
- The placement of insurance products continues to represent a significant component, concentrated in the automotive segment, due to limitations on penetration on personal loans arising from the Poste Italiane agreement.
- The main products offered to customers are described in detail below.

Automotive loans and automotive leasing

The agreements are managed in coordination with the Parent Company Santander Consumer Finance, within the framework of European-level agreements, both in terms of governance and strategic approach.

The agreements in the automotive sector, also through the specialisation of the dedicated sales structure and loyalty programmes (TCM and Leasing products, CRM activities), make it possible, on the one hand, to improve performance in terms of market share coverage and volumes and, on the other hand, to increasingly strengthen dealer and customer loyalty.

During 2025, new agreements were pursued in order to further expand domestic agreements.

Personal loans

In 2025, the Personal Loans segment (attributable to the Poste Italiane agreement) recorded a reduction in new disbursed volumes, as a result of a specific strategy to reposition the mix of distribution channels aimed at further consolidating the product's profitability.

Physical channels, local agencies, online portals and partnerships with third parties operated synergistically within a multichannel strategy, a key lever for effectively covering the specific market context. In particular, the growth in loans disbursed through the agency channel is highlighted, which confirms itself as an important commercial presence for future strategies.

During 2025, the digital evolution path also progressed, with the integration of new features supporting both the physical network and online distribution channels.

Salary assignment

The market for Salary assignment 2025 recorded an increase compared to 2024 both in terms of volumes and number of transactions, mainly due to the decline in interest rates. This trend also affected Santander Consumer Bank. The mix among the different employment sectors is mainly concentrated on pensioners, followed by the private sector, which is growing.

The Bank continued to strengthen its commercial strategy, pursuing profitability objectives appropriate to the nature of the business, focusing on the growth of the agency network also through the activation of new agreements.

During the year, the Bank activated new collaborations with insurance partners and streamlined those already in place in order to make the product increasingly competitive; moreover, certain process improvements were introduced.

Credit cards

An open-ended credit line made available to the customer, which may be used in one or more drawdowns. The user undertakes to repay the amounts used and the interest accrued, complying with the minimum monthly instalment amount, while retaining the option to make payments of a higher amount. The portion of principal repaid restores the credit facility and can therefore be reused by the customer. Interest rates are generally fixed; however, the economic terms may be amended during the relationship, in compliance with the applicable regulations. The credit line may be supported by any collateral.

During 2025, this product was discontinued due to the lack of economies of scale given the low volumes managed.

Other non-consumer loans

Santander Consumer Bank's portfolio also includes the following self-liquidating non-consumer products:

- Stock finance: credit line made available to the Affiliated Dealer, usable as an advance facility against the presentation of European Type-Approval Certificates or Certificates of Conformity (i.e., the documents required for the registration of cars or motorcycles) in the case of new cars or motorcycles, or against the presentation of Certificates of Ownership and Vehicle Registration Documents in the case of used cars or motorcycles.
- Revolving dealer: credit facility consisting of an advance to the Affiliated Dealer of a predetermined amount

Brokered products: Insurance

With regard to insurance products in the automotive channel, 2025 appears stable and in continuity for the main products: Motor Vehicle Hull (CVT) and Credit Protection. During the year, an increase in performance is observed in ancillary products to CVT, such as the deductible waiver product, return to invoice (GAP) and tyre assistance.

In the non-automotive channels, with particular focus on Personal Loans, an overall performance increase driven by the Agents channel is observed. Performance on the E2E channel remained broadly stable.

Overall, in the traditional "point-of-sale" channel, the insurance products intermediated by the Bank were particularly appreciated by customers and were within the Target Market, in particular the Motor Vehicle Hull (CVT) product family, such as theft and fire, Kasko, deductible protection, etc.

The Bank's sales network receives continuous training on insurance products and the correct methods for offering them to end customers are monitored, as is the network of financial intermediaries.

B.2 – Funding

Total indebtedness increased (+5.1%), driven by the following dynamics.

- Bank funding, which accounts for 35.5% of total funding, amounted to EUR 2.448,2 million, slightly down (-2.7%), and essentially consists of relationships with the Spanish Parent Company (in the form of ordinary funding, subordinated funding eligible as Tier 2 regulatory capital and Senior Non-Preferred bonds eligible as MREL-eligible liabilities).
- Funding from customers, which accounts for 64.5% of total funding, amounted to EUR 4.440,7 million, increasing (9.9%), thanks to the significant contribution from SRT (Significant Risk Transfer) securitisation transactions placed with the market, which amounted to EUR 2.941,0 million (EUR 2.487,0 million in 2024). At the same time, customer deposits contracted, amounting to EUR 1.488,9 million (EUR 1.541,4 million in 2024).

Overall, ECB reference rates continued to decline during 2025 (the ECB deposit facility rate decreased from 3.15% at the end of 2024 to 2.15% at the end of 2025) and this trend was also reflected in the effective cost of funding.

Deposit accounts

Market offerings are essentially divided into deposit accounts with and without a time restriction, with a credit interest rate linked to that restriction.

Also in 2025, the Bank offered customers an on-demand deposit account and a term deposit account in order to balance the relationship between funding stability and its cost.

The current product offering consists of:

- IoPosso (on demand deposit account);
- IoScelgo (basic on demand deposit account to which the opening of a series of term lines can be linked).

C – Matters of note

See the Consolidated Report on Operations, section D – Matters of note.

D – Results for the year

The Bank has a reasonable expectation of continuing its operations for the foreseeable future and has therefore prepared the financial statements on a going concern basis, in accordance with the guidance provided in Document No. 4 of 3 March 2010 issued jointly by the Bank of Italy, Consob and Isvap, concerning "Information to be provided in financial reports on impairment tests, contractual clauses of financial liabilities, debt restructurings and the 'fair value hierarchy'", which refers to the corresponding Document No. 2 issued jointly by the same three Authorities on 6 February 2009.

D.1 – Economic performance

Riclassified Income Statement (EUR/Mln)	2025	2024	Var.	%
Net interest	177.4	157.8	19.6	12.4%
Net commission	45.3	42.5	2.7	6.4%
Net result of financial assets and liabilities at fair value	(1.5)	(1.2)	(0.4)	31.6%
Net other operating incomes / costs	20.2	10.1	10.0	99.0%
Capital bonus	42.6	-	42.6	100.0%
Operating incomes	**283.9**	**209.3**	**74.6**	**35.6%**
Payroll costs	(49.1)	(43.9)	(5.2)	11.9%
Administrative costs	(35.2)	(35.6)	0.4	-1.0%
Amortizations	(9.9)	(14.5)	4.6	-31.6%
Operating costs	**(94.2)**	**(94.0)**	**(0.3)**	**0.3%**
Operating result	**189.6**	**115.3**	**74.3**	**64.5%**
Net adjustments on financial activities	(99.6)	(80.9)	(18.7)	23.1%
Other net accrual	(7.0)	(0.4)	(6.6)	1681.2%
Contribution to banking system	(0.2)	(2.0)	1.8	-90.0%
Other net operating income/expenses	(0.7)	(0.8)	0.1	-8.9%
Profit or loss before tax	**82.1**	**31.2**	**50.9**	**163.2%**
Tax	(14.3)	(2.3)	(12.0)	516.8%
Profit or loss after tax	**67.8**	**28.9**	**38.9**	**134.9%**

Operating income increased (+35.6%) due to the following dynamics.

- Net interest income increased (+12.4%) due to higher interest income from customers, which amounted to EUR 397,3 million (EUR 371,8 million in 2024), driven by outstanding dynamics (detailed below) and repricing actions, offset by the reduction in the rates set by the Central Bank, which negatively affected the contribution from interest income arising from HQLA instruments and derivatives while at the same time benefiting interest expense.

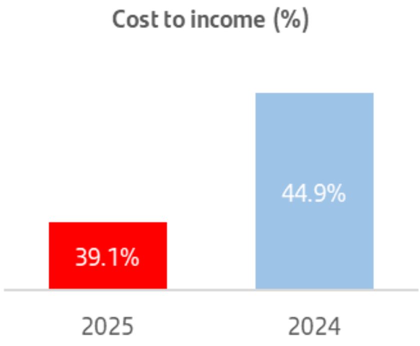
Net interest (EUR/Mln)	2025	2024	Var.	%
Interest income	**424.7**	**448.2**	**(23.5)**	**-5.3%**
Interest income on medium bearing assets (%)	5.8%	6.3%		
Interest expenses	**(247.3)**	**(290.8)**	**43.5**	**-15.0%**
Interest expenses on medium bearing liabilies (%)	-3.7%	-4.5%		
Total net interest	**177.4**	**157.4**	**20.0**	**12.7%**
Net interest spread (%)	2.1%	1.8%		

- Net fee and commission income increased (+6.4%), thanks to greater penetration linked to insurance products on the automotive product.
- Other net operating income (expenses) increased (+EUR 10 million), due to the combined effect of higher revenues from servicing activities provided to Group companies (+EUR 3,8 million) and lower costs relating to operational risks;
- Receipt of dividends distributed by Stellantis Financial Services Italia for EUR 42,6 million (not present in 2024).

Operating costs increased slightly (+0.3%) due to the following dynamics.

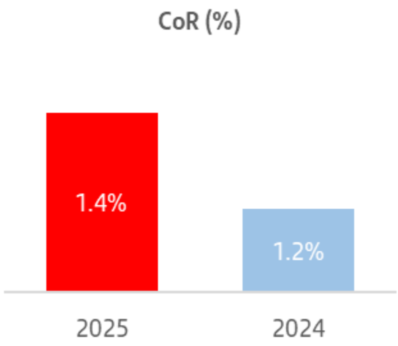
- Personnel expenses increased (+11.9%), mainly due to the revaluations related to the national collective labour agreement and the increase in accruals for company bonuses;
- Administrative expenses decreased slightly (-1%) thanks to lower IT expenses.
- Depreciation and amortisation decreased (-31.6%), thanks to a lower impact from amortisation of intangible assets.

Below is the development of the cost-to-income indicator (calculated as operating costs over operating income, net of income components relating to equity investments).



Net impairment losses on loans increased (+23.1%), mainly due to the update of the IFRS 9 model parameters. For further details, reference is made to the Notes to the Consolidated Financial Statements – Part E. This result was partially mitigated by a positive effect of EUR 13 million (EUR 14,2 million in 2024) arising from the without-recourse disposal of NPL (Non-performing Loans) portfolio in write-off under-management.

Below is the development of the Cost of Risk indicator (calculated as net impairment losses on loans and advances due from customers over gross loans and receivables due from customers):



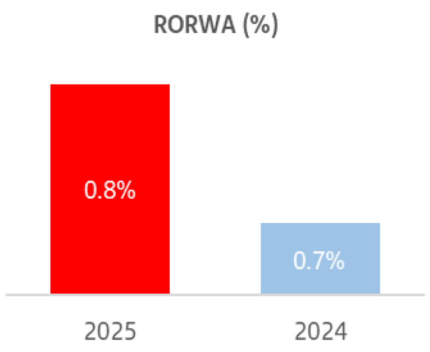
Other net provisions increased by EUR 6,6 million, mainly due to the recognition of voluntary redundancy incentives. For further information, reference is made to the "Consolidated Report on Operations – Matters of note".

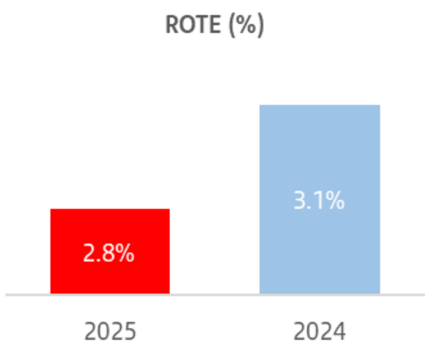
Contributions to the banking system decreased by EUR 1,8 million due to the lower request from the Interbank Deposit Protection Fund.

Taxes increased by EUR 12 million, in line with the trend of the taxable base and the lower impact of the Patent Box benefit (compared with the 2024 one-off).

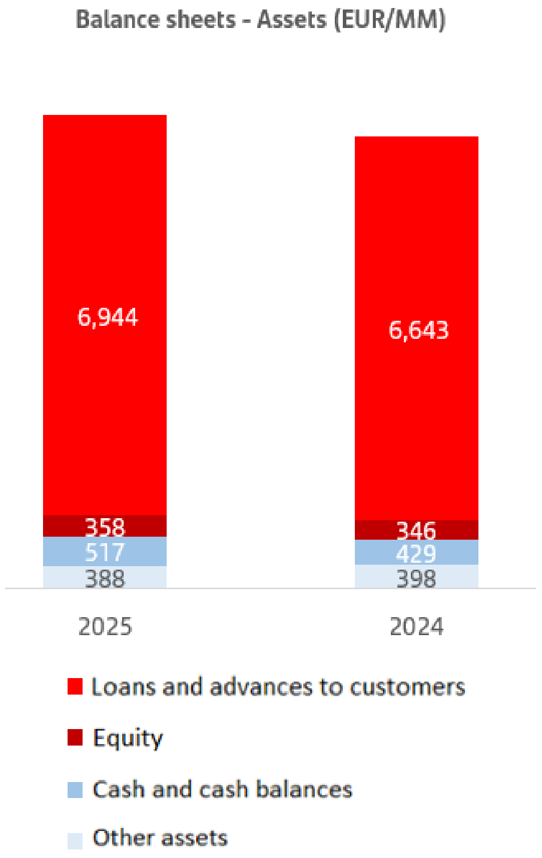
Profit after tax amounted to EUR 67,8 million (EUR 28,9 million in 2024).

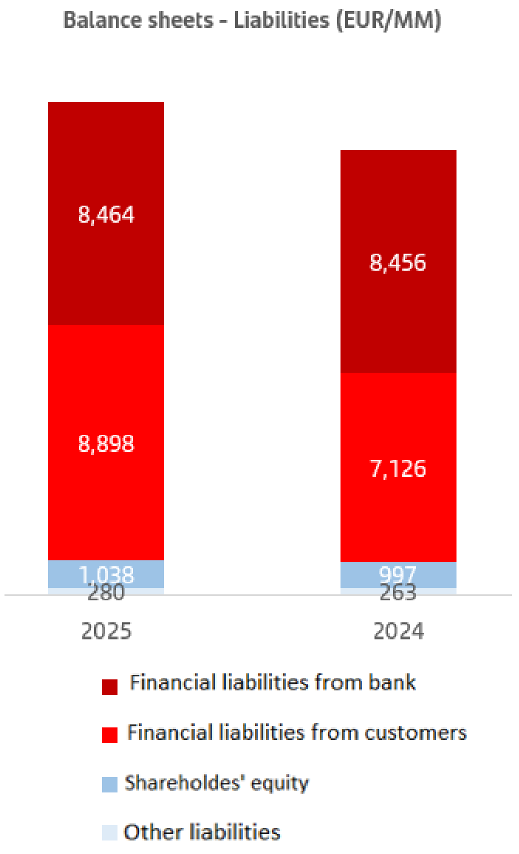
Below is the development of the RoRWA indicator (calculated as profit after tax over average annual risk-weighted assets, net of balance-sheet and income components relating to equity investments) and RoTe (calculated as profit after tax over shareholders' equity net of intangible assets and average annual profit for the period, net of income components relating to equity investments).





D.2 – Main balance sheet aggregates





Assets mainly consist of loans to customers, with the following breakdown:

Customer loans (EUR/MM)	2025	2024	Var.	%
Car loans	3,264.3	2,972.1	292.2	9.8%
Car leasing	187.9	172.5	15.4	8.9%
Personnel loan	2,151.9	2,110.4	41.5	2.0%
Special-purpose loan	396.7	419.9	(23.2)	-5.5%
Salary assignment	598.2	722.6	(124.4)	-17.2%
Credit card	0.1	2.5	(2.4)	-96.0%
Stock finance	246.7	185.6	61.1	32.9%
Santander Company Group (Renting)	216.0	189.5	26.5	14.0%
Other	20.7	25.8	(5.1)	-19.8%
Gross loans to customers	**7,082.5**	**6,800.9**	**281.6**	**4.1%**
Accumulated value adjustements on loans	(138.1)	(157.7)	19.6	-12.4%
Net loans to customers	**6,944.4**	**6,643.2**	**301.2**	**4.5%**

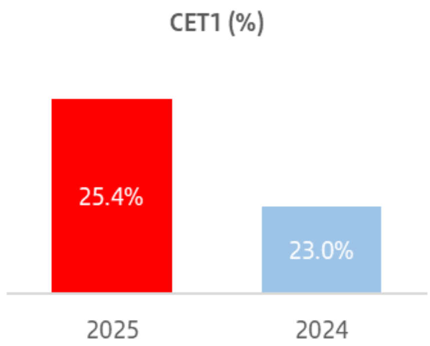
The aggregate, overall increasing (+4.5%), was mainly influenced by New Business dynamics (for further information, please refer to the individual Report on Operations – Performance of interest-bearing assets and liabilities – New Business).

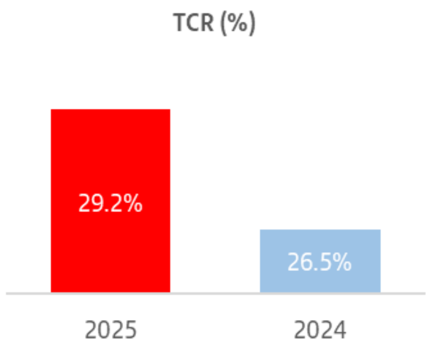
Cash and cash equivalents and debt securities (entirely consisting of Italian government securities) increased (+20.4%) as a result of ordinary liquidity management policies in support of regulatory indicators.

Equity investments increased (+3.6%) due to the simultaneous reorganisation and strengthening of Santander Consumer Renting and Drive, operating in operating leasing (for further information, please refer to the Consolidated Report on Operations – Matters of note).

Liabilities mainly consist of financial payables due to banks and customers, which increased (+5.1%) in line with asset requirements (for further information, please refer to the individual Report on Operations – Performance of interest-earning assets and liabilities – Funding).

Shareholders' equity, increasing (+4.2%) due to the allocation of the prior year's result to reserves, is more than adequate with respect to regulatory requirements, as shown by the CET1 (Common Equity Tier 1 ratio, calculated as the ratio of the highest-quality capital to risk-weighted assets) and the TCR (Total Capital Ratio, calculated as the ratio of own funds to risk-weighted assets):





E – Subsequent significant events

Pursuant to IAS 10, it is hereby stated that these financial statements were authorised for publication by the Board of Directors on 18 February 2026.

From the end of the year to the date of approval of the draft Financial Statements by the Board of Directors, the merger by incorporation of Drive into Santander Consumer Renting took place; the transaction is effective from 1 January 2026 and, for this reason, has no effects on these financial statements. For further information, please refer to the paragraph in the "Consolidated Report on Operations – Matters of note". Therefore, the draft Financial Statements accurately reflect the events that affected operations in the 2025 financial year.

F – Strategic management and outlook

See the Consolidated Report on Operations, section F – Strategic management and outlook.

G – ESG

See the Consolidated Report on Operations, section G – ESG.

H – Other information

Research and development activities

No activities qualifying as research and development were carried out during the 2025 financial year.

Risks and related hedging policies

With regard to the main risks and uncertainties to which the Bank is exposed, in accordance with Article 2428 of the Italian Civil Code, it should be noted that the economic, equity and financial situation could be influenced by the general macroeconomic environment, the performance of financial markets and the performance of the reference sector, as extensively described in the previous paragraphs.

With regard to the information required by the Italian Civil Code on the Bank's objectives and policies in relation to the management of financial risks, referred to in paragraph 6-bis of Article 2428 of the Italian Civil Code, as well as in relation to the use of financial instruments, reference is made to the information set out in Part E of the Notes to the Financial Statements.

Treasury shares

The Bank does not hold treasury shares (nor shares of its parent companies), either through a fiduciary company or through an intermediary.

Management and coordination

The Company operates with full managerial autonomy, adhering to the general strategic and operational guidelines indicated by the Parent Company Santander Consumer Finance S.A., which performs direction and coordination activities pursuant to Article 2497-bis of the Italian Civil Code and Article 23 of Legislative Decree No. 385 of 1 September 1993, as amended by Legislative Decree No. 223 of 14 November 2016.

A summary schedule of the key data from the last approved financial statements (as at 31 December 2024) of the entity performing direction and coordination activities (Santander Consumer Finance) is attached to the Notes to the Financial Statements.

Related parties

With regard to related party disclosures, reference is made to the information provided in Part H of the Notes to the Financial Statements.

Report of the Board of Statutory Auditors on the Financial Statements as at 31 December 2025

Report of the Board of Statutory Auditors on the Financial Statements as at 31 December 2025

SANTANDER CONSUMER BANK SPA
Registered office in Corso Massimo D'Azeglio 33/E,
Turin, Italy
Share capital Euro 573,000,000
Turin Companies' Register enrolment number 05634190010
Parent Company of the Santander Consumer Bank S.p.A. Banking Group
Company subject to the direction and coordination of Santander Consumer Finance S.A.

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE

Dear Shareholders,

By means of this Report, we report on the supervisory and control activities carried out by the Board of Statutory Auditors during 2025, in fulfilment of the mandate received and in accordance with Articles 2403 and 2403-bis of the Italian Civil Code and the applicable primary and secondary legislation.

During 2025, the Board of Statutory Auditors carried out its institutional duties in compliance with the Italian Civil Code, Italian Legislative Decree no. 385/1993 (TUB, Consolidated Banking Act) and subsequent amendments and/or additions, the statutory regulations and those issued by the Authorities that carry out supervisory and control activities, also taking into account the rules of conduct recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian National Council of Chartered Accountants and Accounting Experts).

The Board of Directors has made the following documents available, approved at the meeting of 18 February 2026 and relating to the year ended 31 December 2025:

- draft financial statements, consisting of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements;
- report on operations.

This report was approved collectively and in good time for its filing at the Company's registered office.

Supervisory activities pursuant to Article 2403 et seq. of the Italian Civil Code

The activities carried out by the Board concerned, in terms of time, the entire year, and during the same period the periodic meetings required by law and by the Articles of Association were held; minutes of these meetings were prepared and duly signed for unanimous approval.

In particular, it is declared that the Board of Statutory Auditors:

- supervised compliance with the law and the Articles of Association and observance of the principles of proper administration as well as, insofar as it is responsible, the adequacy of the organisational structure adopted by the Bank, also through the collection of data and information from the heads of the corporate functions;
- supervised the adequacy and functioning of the administrative-accounting structure;
- took part in the Shareholders' Meetings and meetings of the Board of Directors held during the year, continuously following the development of company decisions and the performance of the Bank in its various operational aspects, as well as contingent and/or extraordinary issues for the purpose of identifying their economic and financial impact on the result for the year and on the capital structure, as well as any risks, monitored on a constant basis; the meetings were held in compliance with the statutory, legislative and regulatory provisions governing their functioning. In particular, we did not find any violations of the law or the Articles of Association, nor operations that are manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company assets;
- also participated in the meetings of the Risk Committee and the meetings of the Control Functions Coordination Committee, acquiring the related records;
- during the meetings held, acquired information from the Chief Executive Officer on the general business performance and on its expected development, as well as on the transactions of greatest importance, in terms of size or characteristics, carried out by the company and, on the basis of the acquired information, we do not have specific comments to make.
- carried out checks on the issues subject to supervision and control, also making use of the evidence of the second- and third-level corporate control functions; monitored the activities carried out by the Bank in compliance with anti-money laundering and counter-terrorist financing obligations;

- supervised the adequacy of the "Internal Control System" and the "Corporate Governance" rules established by law, the Articles of Association and secondary legislation on the matter;
- held periodic meetings with the independent auditors PricewaterhouseCoopers S.p.A. for the purpose of exchanging information relating to the supervisory and control activities under their respective responsibilities, from which nothing reprehensible or significant against the Bank emerged;
- supervised the independence of the independent auditors; in particular, the report on independence issued by the latter pursuant to Article 17 of Italian Legislative Decree no. 39/2010 does not highlight situations that have compromised their independence or causes of incompatibility;
- supervised the adequacy of, and compliance with the regulatory framework by, the remuneration policies and practices adopted by the Bank.

The Board of Statutory Auditors also formally acknowledges that:

- during 2025, no complaint was received pursuant to Article 2408 of the Italian Civil Code or notices of a different nature that require mention in this Report. No complaints were made pursuant to Article 2409, paragraph 7, of the Italian Civil Code. The Board of Statutory Auditors did not have to intervene due to omissions of the Board of Directors pursuant to Article 2406 of the Italian Civil Code;
- no atypical or unusual transactions were carried out with third parties and/or related parties; transactions with related parties are illustrated in Part H of the Notes to the Financial Statements and referred to in the Report on Operations, as required by Article 2428, paragraph 3, of the Italian Civil Code;
- dealings and transactions with company representatives were carried out in compliance with Article 2391 of the Italian Civil Code, Article 136 of the Consolidated Banking Act and the provisions on risk assets and conflicts of interest with respect to connected parties.

During the supervisory activities, as described above, no other significant facts emerged, which would require mentioning in this report.

Annual financial statements

The Board examined the draft financial statements for the year ended on 31 December 2025, which were made available, following approval by the Board of Directors during the meeting held on 18 February 2026, within the terms set out in Article 2429 of the Italian Civil Code, in relation to which we report the following.

The financial statements have been prepared in compliance with the international accounting standards (IAS and IFRS) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), implemented in Italy by Italian Legislative Decree no. 38/2005. Account was also taken of the instructions relating to the financial statements of banks contained in Bank of Italy Circular no. 262/2005, as subsequently updated and supplemented.

Since the statutory audit of the financial statements was not entrusted to the Board of Statutory Auditors, the Board oversaw the general approach given to the same, their general compliance with the law with regard to their formation and structure, and in this regard there are no particular observations to report.

The Board checked compliance with the legal provisions pertaining to the preparation of the report on operations and we have no particular observations in this regard.

On 10 March 2026, the Board acquired the Independent Auditors' Report prepared pursuant to Article 14 of Italian Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) no. 537/2014, which discloses the following:

- in the opinion of the independent auditing firm, the financial statements *"provide a true and fair view of the equity and financial position of the Bank as at 31 December 2025, of the economic result and cash flows for the year ended on that date in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the provisions issued in implementation of Article 43 of Italian Legislative Decree no. 136/15";*
- that this opinion is based on the acquisition, by the same auditing firm, of sufficient and appropriate audit evidence;
- again in the opinion of the Independent Auditing Firm, *"the report on operations is consistent with the annual financial statements of Santander Consumer Bank S.p.A. as at 31 December 2025"* and also *"is drawn up in compliance with the law".*

Observations and proposals regarding the approval of the financial statements

Considering the results of the activities we have carried out and the opinion expressed in the audit report issued by the party in charge of the statutory audit, we do not find any grounds to prevent the shareholders from approving the financial statements for the year ended 31 December 2025, as drawn up by the Directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the result for the year formulated by the Directors.

Turin, Italy, 10 March 2026

The Board of Statutory Auditors

Walter Bruno
Chairman of Statutory Auditors

Maurizio Giorgi
Acting Auditor

Marta Montalbano
Acting Auditor

Notice of calling of the Shareholders' Meeting

Notice of call of the Shareholders' Meeting

The Ordinary General Shareholders' Meeting of Santander Consumer Bank S.p.A. is convened, on first call, for 25 March 2026 at 12.00 in Turin, Corso Massimo D'Azeglio No. 33/E, and, if necessary, on second call for 26 March 2026, at the same place and time, to discuss and resolve on the following agenda:

1. Report on Operations and Financial Statements as at 31.12.2025. Statutory Auditors' Report and Independent Auditors' Report. Inherent and consequent resolutions;
2. Information on the 2025 remuneration and incentive system;
3. 2026 remuneration and incentive policies; related and consequent resolutions.

Proposals to the Shareholders' Meeting

Proposals to the Shareholders' Meeting

Proposal of allocation of the net profit

Dear Shareholders,

As we have mentioned already, the financial year closed with a net profit of euro 67.803.772.

We propose that this result be allocated as follows:

	euro
Net profit for the period	67,803,772
Dividend	64,413,583
Legal reserve	3,390

Santander

Independent Auditors' Report on the Financial Statements as at 31 December 2025

Independent Auditors' Report on the Financial Statements as at 31 December 2025

Santander Consumer Bank S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

Financial statements as at December 31, 2025

This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

EBRS/LSTR/scr - RC128742025AS0015

BDO

Tel: +39 066976301
www.bdo.it

Via Ludovisi, 16
00187 Roma

Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Sole Shareholder of
Santander Consumer Bank S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Santander Consumer Bank S.p.A. (the "Bank"), which comprise the statement of financial position as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flow for the year then ended, and notes to the financial statements, including material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of the Bank as at December 31, 2025 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.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Services S.r.l.
Sede Legale: Viale Abruzzi, 94 - 20131 Milano - Capitale Sociale Euro 150.000 i.v.
Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 03060640160 - R.E.A. Milano 1807540
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Key audit matter	Audit procedures addressing the key audit matter
Classification and Measurement of Loans to Customers The financial statement information relating to Loans to customers is mainly reported in the following parts and sections of the Notes to the Financial Statements: *Part A - Accounting policies; paragraph A.2 "Main items in the financial statements: 3 - Financial assets measured at amortised cost";* *Part B - Information on the Balance Sheet; Assets, section 4 "Financial assets measured at amortised cost - Item 40";* *Part C - Information on the income statement; section 8 "Net adjustments/recoveries for credit risk - Item 130";* *Part E - Information on risks and related hedging policies; section 1 "Credit risk".* Loans to customers, recorded under item 40 b) of Assets, amounted to Euro 6,944 million as of December 31, 2025, corresponding to 85% of total assets in the financial statements. This item was deemed significant for audit purposes, considering both the amount and the characteristics of the processes and the classification and measurement methods, which include the estimation of certain components such as the identification of indicators of significant increase in risk and impairment, the determination of expected cash flows and related recovery times, the recoverable value of guarantees related to receivables, and the determination of the model parameters for calculating expected losses.	The main audit procedures performed in response to the key audit matter relating to the classification and measurement of loans to customers included the following activities: ▪ analysis of the procedures and processes relating to the classification and measurement of customer loans; ▪ reconciliation and matching procedures between the data present in the management systems and the information reported in the financial statements; ▪ comparative analysis procedures of the portfolio and the related credit risk coverage levels and analysis of the results with the company functions involved; ▪ analysis of the criteria and methods for classifying and evaluating loans to customers; ▪ verification of the reasonableness of the assumptions and components used in the credit assessment models and the related results; ▪ sample-based testing of the classification and valuation of loans to customers in the financial statements in accordance with the provisions of the IFRS adopted by the European Union and the provisions issued in implementation of Article 43 of Legislative Decree 136/2015; ▪ verification of the adequacy of the information provided in the notes to the financial statements.

Other matters

As required by law, the Bank has included in the notes to the financial statements the key figures from the latest financial statements of the company that manages and coordinates it. The opinion on the financial statements of Santander Consumer Bank S.p.A. does not extend to these figures.

The financial statements of Santander Consumer Bank S.p.A. as of December 31, 2024, were audited by another auditor, who, on March 11, 2025, expressed an unqualified opinion on those financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the separate financial statements

The directors are responsible for the preparation of separate 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 Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate 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 Company or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

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

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

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

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

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the separate financial statements of the current period and are, therefore, the key audit matters. We described these matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) no. 537/2014

On March 26, 2025, the Shareholders' meeting of Santander Consumer Bank S.p.A. appointed the statutory auditor for the audit of the annual separate and consolidated financial statements for the years ending from December 31, 2025 to December 31, 2033.

We declare that we did not provide the prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10

The directors are responsible for the preparation of a directors' report of the Santander Consumer Bank S.p.A. at December 31, 2025, including their consistency with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the separate financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the company's separate financial statements at December 31, 2025.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter 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.

Rome, March 10, 2026

BDO Audit Services S.r.l.

Signed by
Emmanuele Berselli
Partner

Financial Statements

Balance sheet

Amounts in Euro

	Voci dell'attivo	12/31/2025	12/31/2024
10.	Cash and cash balances	109,734,805	127,415,103
20.	Financial assets designated at fair value through profit or loss	29,830,920	40,171,440
	a) Financial assets held for trading	29,830,920	40,171,440
30.	Financial assets at FV with effects on P&L	203,464,522	-
40.	Financial assets measured at amortised cost	7,231,484,199	7,015,728,562
	a) Loans and advances to banks	83,709,437	70,990,675
	b) Loans and advances to customers	7,147,774,762	6,944,737,887
50.	Hedging derivatives	11,634,603	8,827,278
60.	Changes in fair value of portfolio hedged items (+/-)	(4,513,427)	4,347,393
70.	Equity investments	358,115,712	345,689,712
80.	Property, plant and equipment	11,576,135	12,831,403
90.	Intangible assets	15,278,556	16,688,979
100.	Tax assets	127,819,779	135,887,091
	a) current	63,629,568	38,432,632
	b) deferred	64,190,211	97,454,459
110.	Non current assets and disposal groups classified as held for sale	4,709	147,775
120.	Other assets	112,504,274	108,565,992
	Total Assets	**8,206,934,787**	**7,816,300,728**

	Liabilities and Shareholders' equity	12/31/2025	12/31/2024
10.	Financial liabilities valued at amortised cost	6,888,909,952	6,556,036,642
	a) Deposits from banks	1,733,982,993	1,746,877,211
	b) Deposits from customers	4,440,736,342	4,039,241,825
	c) Debt securities in issue	714,190,617	769,917,606
20.	Financial liabilities held for trading	31,531,950	41,280,463
40.	Hedging derivatives	17,585,631	32,591,891
60.	Tax liabilities	577,665	-
	b) deferred	577,665	-
80.	Other liabilities	214,682,891	178,520,085
90.	Provision for employee severance pay	1,716,405	1,788,277
100.	Provisions for risks and charges	13,644,060	9,265,312
	a) commitments and guarantees given	-	4,424
	c) other	13,644,060	9,260,888
110.	Valuation reserves	460,900	(626,194)
140.	Reserves	396,388,975	394,945,675
150.	Share premium	632,586	632,586
160.	Share capital	573,000,000	573,000,000
180.	Net Profit (Loss) for the year (+/-)	67,803,772	28,865,991
	Total liabilities and Shareholders' Equity	**8,206,934,787**	**7,816,300,728**

Income Statement

Amounts in Euro

	Items	12/31/2025	12/31/2024
10.	Interest and similar income	424,662,595	448,157,561
	of which: interest income calculated using the effective interest method	394,403,331	368,027,613
20.	Interest expenses and similar charges	(247,283,808)	(290,786,814)
30.	**Net interest margin**	**177,378,787**	**157,370,747**
40.	Fee and commission income	89,377,576	78,319,376
50.	Fee and commission expenses	(44,121,761)	(35,794,732)
60.	**Net fee and commission**	**45,255,815**	**42,524,644**
70.	Dividends and similar revenues	42,581,031	-
80.	Net income financial assets and liabilities held for trading	(1,180,006)	(757,455)
90.	Net hedging gains (losses) on hedge accounting	(354,487)	(408,951)
100.	Gains and losses on disposal of:	12,985,660	14,568,038
	a) financial assets at amortised cost	12,985,660	14,568,038
120.	**Operating income**	**276,666,800**	**213,297,023**
130.	Net losses / recoveries on credit risk relating to	(99,058,881)	(83,259,388)
	a) financial assets at amortised cost	(99,058,881)	(83,259,388)
150.	**Net profit from financial activities**	**177,607,919**	**130,037,635**
160.	Administrative costs:	(117,905,112)	(114,051,871)
	a) payroll costs	(55,878,182)	(45,674,737)
	b) other administrative costs	(62,026,930)	(68,377,134)
170.	Net provisions for risks and charges	(1,430,744)	100,601
	a) commitments and financial guarantees given	4,424	(4,424)
	b) other net provisions	(1,435,168)	105,025
180.	Net adjustments / writebacks on property, plant and equipment	(2,536,146)	(2,749,722)
190.	Net adjustments / writebacks on intangible assets	(8,602,164)	(12,782,370)
200.	Other operating income/expenses	35,375,879	31,437,704
210.	**Operating costs**	**(95,098,287)**	**(98,045,658)**
250.	Gains and losses on disposals on investments	(441,314)	(813,444)
260.	**Total profit or loss before tax from continuing operations**	**82,068,318**	**31,178,533**
270.	Tax income of the year from continuing operations	(14,264,546)	(2,312,542)
280.	**Total profit or loss after tax from continuing operation**	**67,803,772**	**28,865,991**
300.	**Profit or loss for the year**	**67,803,772**	**28,865,991**

Statement of Comprehensive Income

Amounts in Euro

	Items	12/31/2025	12/31/2024
10.	**Net Profit (Loss) for the year**	**67,803,772**	**28,865,991**
70.	Defined benefit plans	17,582	(25,624)
120.	Cash flow hedges	1,044,570	-
140.	Financial assets (no equity securities) measured at fair value with an impact on total profitability	24,942	58,691
170.	**Total other income components after tax**	**1,087,094**	**33,067**
180.	**Overall profitability (Item 10 + 170)**	**68,890,866**	**28,899,059**

Statement of Changes in Shareholder’s equity

Amounts in Euro

Financil year 2025

				Allocation of prior year results		Changes during the year									
							Transactions on equity								
	Balance at 31/12/2024	Changes in opening balances	Balance at 01/01/2025	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for 2025	Equity at 31/12/2025
Share capital:	**573.000.000**		**573.000.000**											**573.000.000**
a) ordinary shares	573.000.000		573.000.000											573.000.000
b) other shares														
Share premium reserve	**632.586**		**632.586**											**632.586**
Reserves:	**394.945.675**		**394.945.675**	**1.443.299**										**396.389.975**
a) retained earnings	355.032.988		355.032.988	1.443.299										356.476.288
b) other	39.912.687		39.912.687											39.912.687
Valuation reserves	**(626.194)**		**(626.194)**										**1.087.094**	**460.900**
Equity instruments														
Treasury shares														
Profit (loss) for the year	**28.865.991**		**28.865.991**	**(1.443.299)**	**(27.422.692)**								**67.803.772**	**67.803.772**
Equity	**996.818.058**		**996.818.058**		**(27.422.692)**								**68.890.866**	**1.038.286.233**

Financial year 2024

				Allocation of prior year results		Changes during the year								
							Transactions on equity							
	Balance at 31/12/2023	Changes in opening balances	Balance at 01/01/2024	Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for 2024	Equity at 31/12/2024
Share capital:	**573,000,000**		**573,000,000**											**573,000,000**
a) ordinary shares	573,000,000		573,000,000											573,000,000
b) other shares														
Share premium reserve	**632,586**		**632,586**											**632,586**
Reserves:	**352,081,969**		**352,081,969**	**42,863,706**										**394,945,675**
a) retained earnings	312,169,282		312,169,282	42,863,706										355,032,988
b) other	39,912,687		39,912,687											39,912,687
Valuation reserves	**(659,261)**		**(659,261)**										**33,067**	**(626,194)**
Equity instruments														
Treasury shares														
Profit (loss) for the year	**42,863,706**		**42,863,706**	**(42,863,706)**									**28,865,991**	**28,865,991**
Equity	**967,919,000**		**967,919,000**										**28,899,058**	**996,818,058**

Cash Flow Statement (Indirect Method)

Amounts in Euro

A. OPERATING ACTIVITIES	Amount 31/12/2025	12/31/2024
1. Cash generated from operations	**30,432,305**	**12,954,735**
- net profit for the year (+/-)	67,803,772	28,865,991
- net gains/losses on financial assets held for trading and financial assets designated at fair value through profit or loss (+/-)	592,006	418,100
- gains (losses) from hedging activities (+/-)	2,947,052	31,866,906
- net adjustments for credit risk (+/-)	(19,572,969)	15,479,446
- impairment/recoveries to property and equipment and intangible assets (+/-)	9,544,710	13,447,203
- net provisions for risks and charges and other costs/income (+/-)	(38,572,094)	(77,437,262)
- net premiums not collected (-)		
- other insurance income/expense not collected (-/+)		
- unpaid taxes and tax credits (+/-)	8,060,642	338,574
- impairment losses/reversals on disposal groups, net of tax effect (-/+)		
- other adjustments (+/-)	(370,814)	(24,223)
2. Cash generated/absorbed by financial assets	**(417,900,076)**	**(381,171,775)**
- financial assets held for trading		
- financial assets designated at fair value through profit or loss		
- financial assets mandatorily measured at fair value		
- financial assets measured at fair value through other comprehensive income	(201,355,200)	148,019,192
- financial assets measured at amortised cost	(200,823,651)	(504,639,586)
- other assets	(15,721,224)	(24,551,381)
3. Cash generated/absorbed by financial liabilities	**374,346,850**	**371,462,035**
- financial liabilities measured at amortised cost	364,892,706	374,516,075
- financial liabilities held for trading		
- financial liabilities designated at fair value through profit or loss		
- other liabilities	9,454,143	(3,054,040)
Net cash generated/absorbed by operating activities	**(13,120,921)**	**3,244,996**
B. INVESTING ACTIVITIES		
1. Cash generated by	**42,581,031**	**19**
- sale of equity investments		
- dividends collected on equity investments	42,581,031	
- sale of property and equipment		19
- sale of intangible assets		
- sale of lines of business		
2. Cash absorbed by	**(19,717,716)**	**(7,156,820)**
- purchase of equity investments	(12,426,000)	
- purchase of property and equipment	(99,975)	(1,358,653)
- purchase of intangible assets	(7,191,741)	(5,798,167)
- purchase of lines of business		
Net cash generated/absorbed by investing activities	**22,863,314**	**(7,156,801)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares		
- issue/purchase of equity instruments		
- dividends distributed and other allocations	(27,422,691)	
Net cash generated/absorbed by financing activities	(27,422,691)	
NET CASH GENERATED/ABSORBED DURING THE YEAR	**(17,680,298)**	**(3,911,806)**

Key:

(+) generated

(-) absorbed

Reconciliation

Items	Amount	
	12/31/2025	12/31/2024
Cash and cash equivalents at beginning of year	127,415,103	131,326,909
Net increase (decrease) in cash and cash equivalents	(17,680,298)	(3,911,806)
Cash and cash equivalents: effect of exchange rate changes		
Cash and cash equivalents at end of year	109,734,805	127,415,103

Notes to the Financial Statements

Part A – Accounting Policies

A.1 – General Information

Section 1 – Declaration of compliance with International Financial Reporting Standards

These Financial Statements have been prepared, pursuant to Italian Legislative Decree No. 38 of 28 February 2005, in accordance with the IAS/IFRS accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission, pursuant to Regulation (EC) No. 1606 of 19 July 2002.

The Financial Statements have been prepared in accordance with Bank of Italy Circular No. 262/05 (hereinafter also the "Circular"), as subsequently amended by the 8th update of 17 November 2022 (applicable starting from the financial statements for years ended or in progress at 31 December 2023), entitled "Bank Financial Statements: formats and rules for preparation", issued by the Bank of Italy in the exercise of the powers granted under Article 9 of Italian Legislative Decree No. 38/2005, with the Measure of 22 December 2005. These Instructions mandatorily establish the financial statement formats and the related rules for preparation, as well as the contents of the Notes to the Financial Statements.

In preparing the Financial Statements, the IAS/IFRS in force at the reporting date of this report (including the interpretative documents known as SIC and IFRIC), as endorsed by the European Commission, were applied.

Below are the amendments to the international accounting standards or related interpretations, endorsed by the European Commission, in force at the reporting date of the Financial Statements:

- Lack of exchangeability: amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates";

The material amendments issued by the IASB, effective after the reporting date of the Financial Statements, are set out below:

- *Mandatory for financial years beginning on or after 1 January 2026:*

- Amendments to the classification and measurement of financial instruments: amendments to IFRS 9 Financial Instruments

  The amendments concern the derecognition of financial liabilities settled through electronic transfers; the classification of financial assets in the event of contractual terms that change the timing or amount of contractual cash flows; financial assets with non-recourse features; and investments in contractually linked instruments.

- Contracts related to electricity dependent on natural sources: amendments to IFRS 9 and IFRS 7;

- *Mandatory for financial years beginning on or after 1 January 2027:*

- IFRS 18 Presentation and Disclosure in Financial Statements.

  It establishes significant new requirements for the presentation of financial statements, with a particular focus on the income statement, including requirements regarding the mandatory presentation of subtotals and the aggregation and disaggregation of information.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

  Subsidiaries that meet certain eligibility criteria may elect to apply reduced disclosure requirements compared with the disclosure requirements of IFRS Accounting Standards, provided they comply with the recognition, measurement and presentation requirements of IFRS Accounting Standards.

Given the scope of the amendments under review, no significant impacts are identified for these Financial Statements.

Section 2 – Basis of preparation

The financial statements comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in shareholder's equity, the Cash Flow Statement and the Notes to the Financial Statements, and are also accompanied by a Directors' report on operations, on the economic results achieved and on the balance-sheet and financial position.

In accordance with Article 5 of Italian Legislative Decree No. 38/2005, the Financial Statements are prepared in euro as the reporting currency and the amounts in the accounting schedules are expressed in units of euro, while those in the Notes to the Financial Statements and the Report on Operations are expressed – unless otherwise specified – in thousands of euro.

The Financial Statements have been prepared in accordance with the general principles set out in IAS 1 and the specific accounting standards endorsed by the European Commission illustrated in Part A.2 of these Notes to the Financial Statements, as well as in compliance with the general assumptions provided for by the IASB Conceptual Framework for the preparation and presentation of financial statements.

No departures from the application of IAS/IFRS accounting standards were made.

In the Report on Operations and in the Notes to the Financial Statements, the information required by International Accounting Standards, by law and by the Bank of Italy is provided, together with other non-mandatory information deemed nevertheless necessary to give a true and fair view of the Bank's situation.

In addition to the amounts for the reporting period, the accounting schedules and the Notes to the Financial Statements also present the corresponding comparative figures for the previous financial year.

<u>Content of the financial statements</u>

Balance Sheet and Income Statement

The Balance Sheet and Income Statement formats consist of items, sub-items and additional disclosure details (the "of which" of items and sub-items).

For completeness, it should be noted that, with reference to the formats defined by the Bank of Italy, items showing no amounts either for the financial year to which the financial statements relate or for the previous year are not presented. In the income statement, income is shown without sign, whereas expenses are shown in parentheses.

Statement of Comprehensive Income

The Statement of Comprehensive Income, starting from profit (loss) for the year, sets out the income components recognised against valuation reserves, net of the related tax effect, in accordance with international accounting standards.

Comprehensive income is presented by separately disclosing the income components that will not be reclassified to the income statement in the future and those that, conversely, may subsequently be reclassified to profit (loss) for the year upon the occurrence of certain conditions.

As with the Balance Sheet and the Income Statement, items showing no amounts either for the financial year to which the financial statements relate or for the previous year are not presented in the Statement of Comprehensive Income with reference to the formats defined by the Bank of Italy. In the Statement of Comprehensive Income, income is shown without sign, whereas expenses are shown in parentheses.

Statement of Changes in shareholder's equity

The Statement of Changes in Equity sets out the composition and movements of equity accounts during the financial year to which the financial statements refer and the previous year, broken down into share capital, capital reserves, earnings reserves, reserves from the valuation of balance-sheet assets or liabilities, and the economic result.

Cash Flow Statement

The statement of cash flows occurring during the reporting financial year and the previous year has been prepared using the indirect method, whereby cash flows from operating activities are represented by profit for the year adjusted for the effects of non-cash transactions. Cash flows are divided into those arising from operating activities, those generated by investing activities and those produced by funding activities.

In the statement, cash flows generated during the year are shown without sign, while those absorbed are shown in parentheses.

Notes to the Financial Statements

The Notes to the Financial Statements comprise the information required by international accounting standards and by Bank of Italy Circular No. 262 issued on 22 December 2005 and subsequent updates applicable to the preparation of these Financial Statements.

For completeness, with respect to the formats defined by the Bank of Italy, the titles of the sections relating to Financial Statement items that show no balances either for the financial year to which the Financial Statements refer or for the previous year are also presented.

Section 3 – Significant events after the reporting period

Pursuant to IAS 10, it is disclosed that these Financial Statements were authorised for publication by the Board of Directors on 18 February 2026.

From the year-end to the date of approval of the draft Financial Statements by the Board of Directors, the merger by incorporation of Drive into Santander Consumer Renting took place. The transaction became effective on 1 January 2026 and for that reason has no effect on these Financial Statements; for further information, reference should be made to the paragraph "Report on Group Operations– Matters of Note". Accordingly, the draft Financial Statements accurately reflect the events that affected operations in financial year 2025.

Business continuity disclosure

In accordance with the information provided in document No. 4 of 3 March 2010 issued jointly by the Bank of Italy, Consob and ISVAP, entitled "Information to be provided in financial reports on impairment tests, on the contractual clauses of financial debts, on debt restructurings and on the 'fair value hierarchy'", which refers to the corresponding document No. 2 likewise issued jointly by the three Authorities, the Company has a reasonable expectation of continuing as a going concern in the foreseeable future and has therefore prepared this report on a going-concern basis.

More detailed information regarding the main issues and variables existing on the market is contained in the Report on Operations.

Section 4 – Other aspects

The Financial Statements are subject to statutory audit by BDO Audit Services S.r.l., pursuant to the resolution of the Shareholders' Meeting of 26 March 2025, which granted the engagement for the nine-year period 2025–2033.

Reclassifications

In alignment with its Spanish parent company, the Group considered it appropriate to improve the following presentations:

- assets held for sale pursuant to IFRS 5 (with restatement of balance-sheet and income-statement items):

	Item	Financial statements at 2024 approved	Reclass IFRS 5	Financial statements at 2024 reclassified
	Balance sheets - Assets			
110.	Non-current assets and disposal groups held for sale	-	147,775	147,775
120.	Other assets	108,713,767	(147,775)	108,565,992
	Income statement			
200.	Other operating income/expenses	30,624,260	813,444	31,437,704
250.	Profit (loss) on disposal of investments	-	(813,444)	(813,444)

A.2 – Main items in the financial statements

In order to ensure uniformity in the criteria adopted for preparing the Financial Statements, the Bank has adopted an internal body of rules and policies relating to the various operational and organisational areas.

1 – Financial assets measured at fair value through profit or loss

Classification

This category includes financial assets other than those classified among financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

In particular, this item includes the positive fair value of derivative contracts held for trading purposes.

According to the general rules set out in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at fair value through profit or loss to one of the other two categories provided for by IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is represented by the fair value at the reclassification date and the effects of the reclassification apply prospectively from the reclassification date. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the reclassification date and that date is treated as the initial recognition date for allocation to the different credit risk stages for impairment purposes.

Recognition

The initial recognition of financial assets takes place on the trade date for derivative contracts. Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or income directly attributable to the instrument itself.

Measurement

After initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of applying this measurement criterion are recognised in the Income Statement. In the absence of an active market, fair value is determined using estimation methods and valuation models commonly adopted, which take into account all risk factors related to the instruments and are based on observable market data.

Derecognition

Financial assets are derecognised only if the transfer has resulted in the substantial transfer of all risks and rewards associated with the assets themselves. Conversely, if a significant portion of the risks and rewards relating to the transferred financial assets has been retained, they continue to be recognised in the balance sheet, even though legal title to the assets has actually been transferred.

Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised if no form of control over them has been retained. Otherwise, even the partial retention of such control entails continued recognition of the assets to the extent of the continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in the related cash flows.

Finally, transferred financial assets are derecognised when the contractual rights to receive the related cash flows are retained but, at the same time, an obligation is assumed to pay those cash flows, and only those cash flows, without material delay, to other third parties.

2 – Financial assets measured at fair value through other comprehensive income

Classification

This category includes financial assets that satisfy both of the following conditions:

- the financial asset is held under a business model whose objective is achieved both by collecting contractual cash flows and by selling the asset (the "Hold to Collect and Sell" business model), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. the "SPPI test" is passed).

In particular, this item includes debt securities that are attributable to a Hold to Collect and Sell business model and that have passed the SPPI test.

According to the general rules set out in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at fair value through other comprehensive income to one of the other two categories provided for by IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through profit or loss). The transfer value is represented by the fair value at the reclassification date and the effects of the reclassification operate prospectively from the reclassification date. In the case of reclassification from the category in question to the amortised cost category, the cumulative gain (loss) recognised in the valuation reserve is deducted from the fair value of the financial asset at the reclassification date. In the case of reclassification to the fair value through profit or loss category, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from equity to profit (loss) for the year.

Recognition

The initial recognition of financial assets takes place on the settlement date for debt securities. Upon initial recognition, the assets are recognised at fair value, including transaction costs or income directly attributable to the instrument itself.

Measurement

Subsequent to initial recognition, financial assets classified at fair value through other comprehensive income are measured at fair value, with the impacts arising from the application of amortised cost, impairment effects and any foreign exchange effect recognised in the Income Statement, while other gains or losses arising from changes in fair value are recognised in a specific equity reserve until the financial asset is derecognised. Upon disposal, whether total or partial, the gain or loss accumulated in the valuation reserve is recognised, in whole or in part, in the Income Statement.

Fair value is determined based on the criteria already illustrated for financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income are subject to the significant increase in credit risk test (impairment) provided for by IFRS 9, like assets measured at amortised cost, with the consequent recognition in the Income Statement of a value adjustment to cover expected losses. More specifically, for instruments classified in stage 1 (i.e. financial assets at origination, if not impaired, and instruments for which there has been no significant increase in credit risk since initial recognition), a one-year expected loss is recognised at initial recognition and at each subsequent reporting date. Conversely, for instruments classified in stage 2 (performing exposures for which a significant increase in credit risk has occurred since initial recognition) and stage 3 (impaired exposures), an expected loss for the entire remaining life of the financial instrument is recognised. It should be noted that debt securities issued by the State are not subject to the impairment process.

Derecognition

Financial assets are derecognised only if the transfer has resulted in the substantial transfer of all risks and rewards associated with the assets themselves. Conversely, if a significant portion of the risks and rewards relating to the transferred financial assets has been retained, they continue to be recognised in the balance sheet, even though legal title to the assets has actually been transferred.

Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised if no form of control over them has been retained. Otherwise, even the partial retention of such control entails continued recognition of the assets to the extent of the continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in the related cash flows.

Finally, transferred financial assets are derecognised when the contractual rights to receive the related cash flows are retained but, at the same time, an obligation is assumed to pay those cash flows, and only those cash flows, without material delay, to other third parties.

3 – Financial assets measured at amortised cost

Classification

This category includes financial assets (in particular loans and advances and debt securities) that satisfy both of the following conditions:

- the financial asset is held under a business model whose objective is achieved by collecting contractual cash flows (the "Hold to Collect" business model), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. the "SPPI test" is passed).

More specifically, the following are recognised in this item:

- loans and advances to banks (not classified under "Cash and cash equivalents") in the various technical forms that satisfy the above requirements;
- loans and advances to customers in the various technical forms that satisfy the above requirements;
- debt securities that satisfy the above requirements.

According to the general rules set out in IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the amortised cost category to one of the other two categories provided for by IFRS 9 (financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss). The transfer value is represented by the fair value at the reclassification date and the effects of the reclassification apply prospectively from the reclassification date. Gains or losses resulting from the difference between the amortised cost of the financial asset and its fair value are recognised in the Income Statement in the case of reclassification to financial assets measured at fair value through profit or loss and in equity, in the specific valuation reserve, in the case of reclassification to financial assets measured at fair value through other comprehensive income.

Recognition

The initial recognition of the financial asset takes place on the settlement date for debt securities and on the disbursement date in the case of loans. Upon initial recognition, the assets are recognised at fair value, including transaction costs or income directly attributable to the instrument itself.

In particular, as regards loans, the disbursement date normally coincides with the date on which the contract is signed. The loan is recognised on the basis of its fair value, equal to the amount disbursed or the subscription price, including costs/income directly attributable to the individual loan and determinable from the outset of the transaction, even if settled at a later date. Costs that, while having the above characteristics, are reimbursed by the debtor counterparty are excluded.

Repurchase and resale transactions with an obligation to repurchase or resell at term are recognised in the Financial Statements as funding or lending transactions. In particular, spot sales and forward repurchases are recognised in the Financial Statements as liabilities for the amount received spot, whereas spot purchases and forward resales are recognised as receivables for the amount paid spot.

Measurement

After initial recognition, the financial assets in question are measured at amortised cost using the effective interest method. Accordingly, the asset is recognised in the Financial Statements for an amount equal to its initial recognition value less repayments of principal, plus or minus cumulative amortisation (calculated using the effective interest method) of the difference between that initial amount and the amount at maturity (typically attributable to costs/income directly attributable to the individual asset), adjusted for any loss allowance. The effective interest rate is identified by calculating the rate that equates the present value of the future cash flows of the asset, in terms of principal and interest, to the amount disbursed inclusive of costs/income attributable to the financial asset itself. This accounting method, based on a financial logic, allows the economic effect of costs/income directly attributable to a financial asset to be spread over its expected residual life.

The amortised cost method is not used for assets – measured at historical cost – whose short duration makes the effect of applying discounting immaterial and for those without a defined maturity. These instruments are nevertheless measured according to the 3-stage model provided for by IFRS 9, like the remaining assets measured at amortised cost. With reference to the accounting presentation of the aforementioned valuation effects, the value adjustments relating to this type of asset are recognised in the Income Statement:

- at initial recognition, for an amount equal to the 12-month expected loss;
- at subsequent measurement of the asset, where credit risk has not increased significantly since initial recognition, in relation to changes in the amount of value adjustments for expected losses over the following 12 months;
- at subsequent measurement of the asset, where credit risk has increased significantly since initial recognition, in relation to the recognition of value adjustments for expected losses attributable to the entire residual contractual life of the asset;
- at subsequent measurement of the asset, where – after a significant increase in credit risk since initial recognition – the "significance" of that increase has subsequently ceased, in relation to the adjustment of cumulative value adjustments to take account of the transition from a lifetime expected loss to a 12-month expected loss.

The financial assets in question, where performing, are subject to an assessment aimed at determining the value adjustments to be recognised in the financial statements, at the level of the individual credit relationship, on the basis of the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD) provided for by IFRS 9.

If, in addition to a significant increase in credit risk, objective evidence of impairment is also identified, the amount of the loss is measured as the difference between the carrying amount of the asset – classified as "impaired", together with all other relationships with the same counterparty – and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss to be recognised in the Income Statement is defined on the basis of an analytical assessment process or determined by homogeneous categories and then attributed to each position, taking into account forward-looking information and possible alternative recovery scenarios. Impaired assets include financial instruments classified as bad loans, unlikely-to-pay exposures or past due/overdrawn exposures for more than ninety days according to Bank of Italy rules, consistent with IAS/IFRS and European supervisory regulations. Expected cash flows take into account expected recovery times and the estimated realisable value of any guarantees. The original effective rate of each asset remains unchanged over time even if a restructuring of the relationship has occurred that changes the contractual rate and even if the relationship becomes, in practice, non-interest-bearing with respect to contractual interest.

If the reasons for the impairment loss cease to exist as a result of an event occurring after the impairment was recognised, reversals of impairment are recognised in the Income Statement. The reversal cannot exceed the amortised cost that the financial instrument would have had in the absence of previous write-downs. Reversals related to the passage of time are recognised in net interest income.

In certain cases, during the life of the financial assets in question, and in particular loans, the original contractual terms are subsequently modified at the request of the parties to the contract. When, during the life of an instrument, the contractual clauses are modified, it is necessary to assess whether the original asset should continue to be recognised in the financial statements or whether, instead, the original instrument should be derecognised and a new financial instrument recognised. In general, modifications to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial". The assessment of whether a modification is "substantial" must consider both qualitative and quantitative elements. In some cases, it may indeed be clear, without resorting to complex analysis, that the changes introduced substantially modify the characteristics and/or contractual cash flows of a given asset, while in other cases further analyses (including quantitative analyses) will be necessary to assess their effects and verify whether or not it is necessary to derecognise the asset and recognise a new financial instrument. Accordingly, the qualitative and quantitative analyses aimed at defining the "substantiality" of the contractual modifications made to a financial asset must therefore consider:

- the purposes for which the modifications were made, for example renegotiations for commercial reasons and concessions granted due to the counterparty's financial difficulties:
  - the former, aimed at "retaining" the customer, involve a debtor that is not in a situation of financial difficulty. This category includes all renegotiation transactions aimed at adjusting the cost of debt to market conditions. These transactions entail a change in the original terms of the contract, usually requested by the debtor, concerning aspects related to the cost of debt, with a consequent economic benefit for the debtor. In general, it is believed that whenever the bank renegotiates in order to avoid losing its customer, such renegotiation should be considered substantial since, if it were not carried out, the customer might obtain financing from another intermediary and the bank would suffer a reduction in expected future income;
  - the latter, carried out for "credit risk reasons" (forbearance measures), are attributable to the bank's attempt to maximise recovery of the original loan's cash flows. The underlying risks and rewards, after the modifications, are generally not substantially transferred and, consequently, the accounting representation that provides the most relevant information for the reader of the financial statements (without prejudice to what is said below regarding objective elements) is that carried out through "modification accounting", which implies recognising in the income statement the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate, and not through derecognition;
- the presence of specific objective elements affecting the characteristics and/or contractual cash flows of the financial instrument that are considered to entail derecognition in view of their impact (expected to be significant) on the original contractual cash flows.

For further details on how expected losses are determined in application of IFRS 9, as well as on the determination and management of post model adjustments/management overlays to the model, reference should be made to the Notes to the Consolidated Financial Statements, Part E – Credit Risk.

Derecognition

Financial assets are derecognised only if the transfer has resulted in the substantial transfer of all risks and rewards associated with the assets themselves. Conversely, if a significant portion of the risks and rewards relating to the transferred financial assets has been retained, they continue to be recognised in the balance sheet, even though legal title to the assets has actually been transferred.

Where it is not possible to ascertain the substantial transfer of risks and rewards, financial assets are derecognised if no form of control over them has been retained. Otherwise, even the partial retention of such control entails continued recognition of the assets to the extent of the continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in the related cash flows.

Finally, transferred financial assets are derecognised when the contractual rights to receive the related cash flows are retained but, at the same time, an obligation is assumed to pay those cash flows, and only those cash flows, without material delay, to other third parties.

4 – Hedging transactions

Classification

Risk hedging transactions are aimed at neutralising potential losses attributable to a specific risk and identifiable on a specific item or group of items, should that particular risk actually materialise.

The types of hedging used are:

- fair value hedges, which aim to hedge exposure to changes in the fair value (attributable to various types of risk) of assets and liabilities recognised in the balance sheet or portions thereof, or groups of assets/liabilities, as permitted by IAS 39 as endorsed by the European Commission. Macro hedges are aimed at reducing fair value fluctuations attributable to interest rate risk on a monetary amount arising from a portfolio of financial assets or liabilities;
- cash flow hedges, which aim to hedge exposure to changes in future cash flows attributable to particular risks associated with balance-sheet items. This type of hedge is used essentially to stabilise the interest cash flow of variable-rate funding to the extent that such funding finances fixed-rate assets.

Recognition

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at fair value.

A relationship qualifies as a hedge, and receives consistent accounting treatment, only if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship, the company's risk management objectives and strategy for undertaking the hedge. This documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the company assesses the effectiveness of the hedging instrument in offsetting exposure to changes in the fair value of the hedged item or the cash flows attributable to the hedged risk;
- the hedge is expected to be highly effective;
- the forecast transaction that is the subject of a cash flow hedge is highly probable and presents an exposure to variations in cash flows that could affect the Income Statement;
- the effectiveness of the hedge can be measured reliably;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the reporting periods for which the hedge was designated.

Measurement

Hedging derivatives are measured at fair value.

In the case of:

- Macro fair value hedge, changes in fair value relating to the hedged risk of the hedged assets and liabilities are recognised in the Balance Sheet, respectively, under item 60. "Value adjustment of financial assets subject to macro hedging" or item 50. "Value adjustment of financial liabilities subject to macro hedging";
- cash flow hedge, changes in the fair value of the derivative are recognised in equity, for the effective portion of the hedge, and are recognised in the Income Statement only when, with reference to the hedged item, the change in cash flows to be offset occurs or if the hedge is ineffective.

Hedge effectiveness depends on the extent to which changes in the fair value of the hedged instrument or in the related expected cash flows are offset by changes in the hedging instrument. Therefore, effectiveness is assessed by comparing the above changes, taking into account the entity's objective at the time the hedge was undertaken. Effectiveness exists when changes in the fair value (or cash flows) of the hedging financial instrument almost entirely offset, i.e. within the 80–125% range, changes in the hedged instrument in relation to the risk element being hedged.

Effectiveness is assessed at each year-end or interim reporting date using:

- prospective tests, which justify the application of hedge accounting by demonstrating its expected effectiveness;
- retrospective tests, which show the degree of hedge effectiveness achieved in the period to which they relate, that is, measure how far actual results have deviated from perfect hedging.

Derecognition

Fair value hedge accounting ceases prospectively in the following cases:

- the hedging instrument expires, is sold, terminated or exercised;
- the hedge no longer meets the hedge accounting criteria referred to above;
- the entity revokes the designation.

If the tests do not confirm the effectiveness of the hedge, from that moment hedge accounting, as described above, is discontinued, the hedging derivative contract is reclassified among trading instruments and the hedged financial instrument resumes the measurement criterion corresponding to its balance-sheet classification. In the event of termination of a fair value macro hedging, the cumulative revaluations/write downs recognised in item 60. "Value adjustment of financial assets subject to macro hedging" or item 50. "Value adjustment of financial liabilities subject to macro hedging" are recognised in the income statement as interest income or expense over the residual life of the original hedging relationships, without prejudice to verifying that the relevant conditions continue to exist.

5 – Equity investments

Recognition, classification and measurement

This category includes investments in subsidiaries carried at cost, in accordance with IAS 27, paragraph 37. If there is evidence that the value of an investment may have been impaired, an estimate is made of the recoverable amount of the investment itself. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement. If the reasons for the impairment loss cease to exist as a result of an event occurring after the impairment loss was recognised, reversals of impairment are recognised in the income statement.

Derecognition

Equity investments are derecognised when the contractual rights to the cash flows arising from the assets expire or when they are transferred, substantially transferring all risks and rewards associated with them.

6 – Property, plant and equipment

Classification

Property, plant and equipment include properties used for business purposes, technical installations, furniture and fixtures, as well as equipment of any kind that is expected to be used for more than one period. Property, plant and equipment held for use in the production or supply of goods and services are classified as "assets used for business purposes" under IAS 16.

This item also includes property, plant and equipment classified under IAS 2 – Inventories, relating both to assets resulting from enforcement of guarantees or the conclusion of operating leases granted, which the company intends to sell in the near future without carrying out significant restructuring works, and which do not meet the requirements for classification in other categories.

Right-of-use assets acquired through leasing and relating to the use of tangible assets are included.

Recognition

Property, plant and equipment are initially recognised at cost, which includes, in addition to the purchase price, any ancillary charges directly attributable to the purchase and bringing the asset into use.

Extraordinary maintenance costs that result in an increase in future economic benefits are capitalised by increasing the value of the assets, whereas other ordinary maintenance costs are recognised in the Income Statement.

Measurement

Property, plant and equipment are measured at cost less any depreciation and impairment losses.

Property, plant and equipment are depreciated on a systematic basis using the straight-line method over their useful life. The depreciable amount is represented by the cost of the assets net of the residual value at the end of the depreciation process, if significant.

If there is any indication that an item of property, plant and equipment measured at cost may have suffered an impairment loss, the carrying amount of the asset is compared with its recoverable amount. Any adjustments are recognised in the Income Statement. If the reasons that led to the recognition of the impairment loss cease to exist, a reversal is recognised, which may not exceed the value that the asset would have had, net of the depreciation that would have been calculated, in the absence of previous impairment losses.

As regards property, plant and equipment recognised under IAS 2, these are measured at the lower of cost and net realisable value, without prejudice to the comparison between the carrying amount of the asset and its recoverable amount wherever there is any indication that the asset may have suffered an impairment loss. Any adjustments are recognised in the income statement.

Property, plant and equipment represented by the right of use of assets under lease contracts

Under IFRS 16, a "lease" is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. According to IFRS 16, leases are accounted for based on the right-of-use model, whereby, at the commencement date, the lessee has a financial obligation to make payments due to the lessor in exchange for its right to use the underlying asset over the lease term. When the asset is made available to the lessee for use (commencement date), the lessee recognises both the liability and the asset consisting of the right to use the asset.

In particular, the right of use acquired through the lease is recognised as the sum of the present value of future lease payments to be made over the contractual term as modified by the estimate of renewal and termination options, lease payments made at or before the commencement date, any incentives received, initial direct costs and any estimated costs for dismantling or restoring the leased underlying asset.

The recognised financial liability corresponds to the present value of the lease payments due.

With regard to the discount rate, based on the requirements of IFRS 16, the Bank uses the implicit interest rate for each lease contract, where available. As regards lease contracts from the lessee's perspective, in some cases, for example with respect to rental contracts, the implicit interest rate cannot always be readily determined without resorting to estimates and assumptions (the lessee does not have sufficient information on the unguaranteed residual value of the leased asset). In these cases, the Bank has developed a methodology to define the incremental borrowing rate as an alternative to the implicit interest rate and has decided to adopt the internal funds transfer pricing rate. This is an unsecured and amortising yield curve, as the lease contract provides for instalments, typically constant, over the contract term and not a single payment at maturity. This rate takes into account the lease term as well as the economic environment in which the transaction takes place and is therefore in line with the requirements of the standard.

The lease term is determined taking into account:

- periods covered by an option to extend the lease, if the exercise of that option is reasonably certain;
- periods covered by an option to terminate the lease, if the exercise of that option is reasonably certain.

During the lease term, the lessee must:

- measure the right-of-use asset at cost, net of accumulated depreciation and any accumulated value adjustments determined and recognised in accordance with IAS 36 "Impairment of Assets", adjusted to take account of any remeasurement of the lease liability;
- increase the liability arising from the lease as interest expense accrues, calculated at the lease's implicit interest rate or, alternatively, at the incremental borrowing rate, and reduce it by payments of principal and interest.

If there are changes in the lease payments due, the liability must be remeasured; the effect of the remeasurement of the liability is recognised against the right-of-use asset.

Finally, it should be noted that the Bank avails itself of the exemptions permitted by IFRS 16 for short-term leases (i.e. term less than or equal to 12 months) and leases of low-value assets (i.e. value less than or equal to EUR 5,000).

Derecognition

An item of property, plant and equipment is removed from the Balance Sheet upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

7 – Intangible assets

Classification

Intangible assets include other intangible assets, consisting in particular of software.

Intangible assets are recognised as such if they are identifiable and originate from legal or contractual rights.

Recognition

Intangible assets are recognised at cost, adjusted for any ancillary charges, only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in the income statement in the year in which it is incurred.

Measurement

For assets with a finite useful life, cost is amortised on a straight-line basis according to the pattern in which the expected economic benefits from the asset are consumed.

If there is any indication that an asset may have suffered an impairment loss, an estimate of the asset's recoverable amount is made. The amount of the loss, recognised in the income statement, is equal to the difference between the carrying amount of the asset and its recoverable amount.

Derecognition

An intangible asset is removed from the Balance Sheet upon disposal or when no further future economic benefits are expected.

8 – Non-current assets held for sale and discontinued operations

Classification

This item includes non-current assets or groups of assets/liabilities for which a disposal process has been initiated and whose sale is considered highly probable. More specifically, this category includes leased assets for which repossession has occurred following early termination or expiry of the contractual term.

Recognition

They are recognised when full availability of the asset is established.

Measurement

Such assets/liabilities are measured at the lower of carrying amount and fair value less costs to sell, except for certain types of assets (e.g. financial assets falling within the scope of IFRS 9) for which IFRS 5 specifically requires that the measurement criteria of the relevant accounting standard be applied.

Assets that, under IAS/IFRS accounting standards, are subject to periodic depreciation or amortisation cease to be depreciated or amortised when classified among assets (or disposal groups) held for sale.

It is possible that portfolios of assets for which no active market quotations exist are included among non-current assets held for sale and discontinued operations. In such cases, they are measured at fair value by reference, where an agreement has been reached with the purchasing counterparty, to the disposal prices resulting from that agreement; in the absence of an agreement, specific valuation techniques are applied depending on the asset and, where appropriate, external fairness opinions are obtained.

Income and expenses attributable to disposal groups or recognised as such during the year are presented in the Income Statement under the item "Gains (Losses) on disposal of investments".

Derecognition

Such assets are removed from the Balance Sheet upon actual disposal, normally within one year of their recognition.

9 – Current and deferred taxation

Income taxes, calculated in compliance with national tax legislation, are recognised as a cost on an accrual basis, consistently with the manner in which the costs and income that generated them are recognised in the financial statements. They therefore represent the balance of current and deferred taxation relating to income for the year.

Current tax assets and liabilities include the net balance of the Bank's positions vis-à-vis the Italian tax authorities relating to direct taxation. In particular, these items include the net balance between tax liabilities from prior years and current year tax liabilities, calculated on the basis of a prudent estimate of the tax burden due for the year, determined according to the tax rules in force, and current tax assets represented by tax prepayments, withholding taxes suffered or other tax credits. The risk inherent in the aforesaid proceedings – in the same way as the risks inherent in proceedings that have not required provisional payments – is assessed according to IAS 37 principles, in relation to the probability that economic resources will be used to settle them.

In view of the Group's adoption of the domestic tax consolidation regime, the tax positions attributable to Group companies are managed separately for administrative purposes.

Deferred taxation is determined based on the so-called balance sheet liability method, taking into account the tax effect associated with temporary differences between the carrying amount of assets and liabilities and their tax value that will generate taxable or deductible amounts in future periods. For this purpose, "taxable temporary differences" are those that will determine taxable amounts in future periods and "deductible temporary differences" are those that will determine deductible amounts in future years.

Deferred taxation is calculated by applying the tax rates established by the legal provisions in force to taxable temporary differences for which there is a probability of actual tax being paid and to deductible temporary differences for which there is reasonable certainty that there will be future taxable amounts when the related tax deductibility arises (probability test). Deferred tax assets and liabilities relating to the same tax and maturing in the same period are offset.

Where deferred tax assets and liabilities relate to components that have affected the income statement, the corresponding entry is income taxes.

Where deferred tax assets and liabilities concern transactions that have affected equity directly without affecting the income statement (such as adjustments on first-time adoption of IAS/IFRS, valuations of financial instruments recognised at fair value through other comprehensive income), they are recognised against equity, affecting the specific reserves when provided for (e.g. valuation reserves). Deferred taxation relating to companies included in the tax consolidation is recognised in their financial statements on an accrual basis and in view of the fact that the effect of the tax consolidation is limited to settling current tax positions. Latent taxation on equity components of consolidated companies is not recognised in the financial statements where the conditions for the related taxation are not considered probable, also in view of the long-term nature of the investment.

10 – Provisions for risks and charges

Provisions for risks and charges relating to commitments and guarantees given

The sub-item of the provisions for risks and charges in question includes credit risk provisions recognised in respect of commitments to disburse funds and guarantees given that fall within the scope of the impairment rules under IFRS 9. For such cases, in principle, the same methods of allocation among the three stages (credit risk stages) and of calculating expected loss are adopted as those described with reference to financial assets measured at amortised cost or at fair value through other comprehensive income.

Other provisions

Other provisions for risks and charges include provisions relating to legal obligations or obligations connected with employment relationships or litigation, including tax litigation, arising from a past event for which an outflow of economic resources to settle the obligations is probable, provided that a reliable estimate of the related amount can be made.

Accordingly, a provision is recognised if and only if:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that the use of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount arising from the settlement of the obligation.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the existing obligation at the reporting date and reflects risks and uncertainties that inevitably surround a plurality of facts and circumstances.

The provision is recognised in the Income Statement. The provision is reversed when the use of resources embodying economic benefits to settle the obligation becomes improbable or when the obligation is extinguished.

11 – Financial liabilities measured at amortised cost

Classification

Deposits from banks, Deposits from customers and Debt securities issued include the various forms of interbank and customer funding. Liabilities recognised by the company as lessee within leasing transactions are also included.

Recognition

The initial recognition of such financial liabilities takes place on the date on which the contract is signed, which normally coincides with the receipt of the funds raised or the issuance of debt securities.

Initial recognition is carried out on the basis of the fair value of the liabilities, normally equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issuance transaction. Internal administrative costs are excluded.

Lease payables are recognised at the present value of future lease payments, discounted using the rate referred to in the relevant leasing chapter.

Measurement

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

An exception is made for short-term liabilities, for which the time factor is negligible and which remain recognised at the amount collected.

Lease payables are remeasured when there is a lease modification (e.g. a modification of the contract that is not accounted for/considered as a separate contract); the effect of the remeasurement is recognised against the right-of-use asset.

Derecognition

Financial liabilities are derecognised when they expire or are extinguished.

12 – Financial liabilities held for trading

Recognition and classification

The financial instruments in question are recognised on the subscription date or issue date at an amount equal to the fair value of the instrument, without considering any transaction costs or income directly attributable to the instruments themselves.

This category of liabilities includes, in particular, trading derivative contracts with a negative fair value.

Measurement

All trading liabilities are measured at fair value with the result of the valuation recognised in the income statement.

Derecognition

Such liabilities are derecognised at the natural expiry of the contractual rights to the related cash flows or when the financial liability is transferred with the substantial transfer of all risks and rewards arising from ownership thereof.

13 – Financial liabilities designated at fair value

The Bank has no financial liabilities designated at fair value.

14 – Foreign currency transactions

The Bank has no transactions in foreign currency.

15 – Other information

Cash and cash equivalents

The item "Cash and cash equivalents" mainly includes current accounts and demand deposits with central banks, excluding mandatory reserves, as well as demand loans to banks (current accounts and on demand deposits). "Demand" loans are those that can be withdrawn by the creditor at any time without notice or with 24 hours' notice or one business day's notice. Demand loans also include those with a contractual maturity constraint of 24 hours or one business day. These components are measured according to the general principle of presumed realisable value, which normally coincides with nominal value. These assets are derecognised at the natural expiry of the contractual rights, where existing, to the related cash flows.

Treasury shares

There are no treasury shares held to be deducted from equity.

Share-based payments

The Bank has no share-based payments.

Accruals and deferrals

Accruals and deferrals that include expenses and income pertaining to the period accrued on assets and liabilities are recognised in the financial statements as an adjustment to the assets and liabilities to which they relate.

Leasehold improvement expenditure

Renovation costs on premises not owned are capitalised in view of the fact that, for the duration of the lease contract, the user company controls the assets and can derive future economic benefits from them. Such costs, classified among Other assets and among property, plant and equipment (where the regulatory requirements are met), are amortised over a period not exceeding the duration of the lease contract.

Staff severance indemnity (TFR)

Employee severance indemnities constitute a "post-employment benefit" and were limited by the entry into force of the reform provided for by Italian Law No. 296/2006 (2007 Finance Act) on supplementary pension schemes.

For discounting purposes, the rate used is determined by reference to market yields, taking into account the average residual duration of the liability, weighted on the basis of the percentage of the amount paid and advanced, for each maturity, compared with the total amount to be paid and advanced until final settlement of the entire obligation. Plan service costs are recognised among personnel expenses, while actuarial gains and losses are recognised in the statement of comprehensive income.

Revenue and cost recognition

Revenue is the gross inflow of economic benefits arising in the course of the entity's ordinary activities and is recognised when control of goods or services is transferred to the customer, at an amount that represents the consideration to which the entity expects to be entitled. In particular, revenue is recognised by applying a model that must satisfy the following criteria:

- identification of the contract, defined as an agreement in which the parties have committed to perform their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the consideration expected for transferring the goods or services to the customer;
- allocation of the transaction price to each "performance obligation" on the basis of the selling prices of the individual obligation;
- recognition of revenue when (or as) the performance obligation is satisfied by transferring the promised good or service to the customer.

The transaction price represents the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods and services to the customer. It may include fixed amounts, variable amounts or both. Revenue consisting of variable consideration is recognised in the Income Statement if it can be reliably estimated and only if it is highly probable that such consideration will not, in subsequent periods, be reversed in full or in significant part from the Income Statement. Where factors of uncertainty linked to the nature of the consideration are strongly prevalent, it will be recognised only when such uncertainty is resolved.

Revenue may be recognised:

- at a precise moment, when the entity satisfies the performance obligation by transferring the promised good or service to the customer, or
- over time, as the entity gradually satisfies the performance obligation by transferring the promised good or service to the customer.

The good is transferred when, or over the period in which, the customer acquires control of it.

In particular:

- interest is recognised pro rata temporis on the basis of the contractual interest rate or the effective interest rate in the case of amortised cost. The item interest income (or interest expense) also includes the differentials or margins, positive (or negative), accrued up to the reporting date, relating to financial derivative contracts:
  - hedging assets and liabilities that generate interest;
  - managed in connection with assets and liabilities classified in the trading portfolio and providing for the settlement of differentials or margins at more than one maturity;
- interest on arrears, where contractually provided for, is recognised in the Income Statement only when actually collected;
- dividends are recognised in the Income Statement when their distribution is approved, unless that date is known or the information is not immediately available, in which case recognition upon collection is permitted;
- fees for service income are recognised, on the basis of contractual arrangements, in the period in which the services are rendered. Fees considered in amortised cost for the purpose of determining the effective interest rate are recognised among interest;
- gains and losses arising from the trading of financial instruments are recognised in the Income Statement at the time the sale is completed, on the basis of the difference between the consideration paid or received and the carrying amount of the instruments themselves;
- revenue arising from the sale of non-financial assets is recognised when the sale is completed, that is, when the performance obligation toward the customer is satisfied.

Costs are recognised in the Income Statement on an accrual basis; costs relating to obtaining and fulfilling contracts with customers are recognised in the Income Statement in the periods in which the related revenues are recognised.

Method of determining amortised cost

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability was measured at initial recognition, net of principal repayments, increased or decreased by the cumulative amortisation, calculated using the effective interest method, of the difference between the initial amount and the amount at maturity, and net of any impairment loss.

The effective interest rate is the rate that exactly discounts a financial asset or liability to the contractual cash flows of future payments or receipts until maturity or to the next repricing date. For the calculation of present value, the effective interest rate is applied to the stream of future receipts or payments over the entire useful life of the financial asset or liability or over a shorter period where certain conditions exist (for example, revision of market rates).

After initial recognition, amortised cost allows income and costs that decrease or increase the instrument to be allocated over its entire expected life through the amortisation process. The determination of amortised cost differs depending on whether the financial assets/liabilities being measured are at a fixed or variable rate and, in the latter case, depending on whether the variability of the rate is known in advance. For fixed-rate instruments or instruments with fixed rates by time bands, future cash flows are quantified on the basis of the known interest rate (single or variable) over the life of the financing. For variable-rate financial assets/liabilities, where the variability is not known in advance (for example because it is linked to an index), cash flows are determined on the basis of the last known rate. At each interest rate reset date, the amortisation schedule and the effective yield over the entire useful life of the instrument, i.e. until maturity, are recalculated. The adjustment is recognised as a cost or income in the income statement.

Measurement at amortised cost is carried out for financial assets measured at amortised cost and for those measured at fair value through other comprehensive income, as well as for financial liabilities measured at amortised cost.

Financial assets and liabilities traded on market terms are initially recognised at fair value, which normally corresponds to the amount disbursed or paid, including, for instruments measured at amortised cost, transaction costs and directly attributable fees. Transaction costs are internal or external incremental costs and income attributable to the issue, acquisition or disposal of a financial instrument and not recharged to the customer. Such fees, which must be directly attributable to the individual financial asset or liability, affect the original effective yield and make the effective interest rate associated with the transaction different from the contractual interest rate. Costs/income relating indiscriminately to more than one transaction and components linked to events that may occur over the life of the financial instrument, but are not certain at the time of initial definition, such as, for example, retrocession fees, fees for non-utilisation and early redemption fees, are excluded. In addition, costs that the undertaking would incur irrespective of the transaction, and those which, although specifically attributable to the transaction, fall within ordinary financing management practice, are not taken into account in calculating amortised cost. With particular reference to loans, commissions paid to distribution channels and direct insurance policies are considered costs attributable to the financial instrument, while the revenues considered in the calculation of amortised cost are up-front fees.

For issued securities, placement fees for bond issues paid to third parties and structuring activities are considered in the calculation of amortised cost, whereas recurring maintenance fees are not considered in amortised cost.

Use of estimates and assumptions in preparing financial disclosure

The preparation of financial disclosure also requires the use of estimates and assumptions that may have significant effects on the amounts recognised in the Balance Sheet and Income Statement, as well as on the disclosure relating to contingent assets and liabilities reported in the financial statements. Preparing such estimates entails the use of available information and the adoption of subjective assessments, also based on historical experience, used for the purpose of formulating reasonable assumptions for the recognition of management events. By their nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years the values recognised in the financial statements may vary, even significantly, as a result of changes in the subjective assessments used.

The main cases in which the use of subjective assessments by management is most required are:

- the quantification of impairment losses on loans, investments and, in general, other financial
- assets;
- the use of valuation models for measuring the fair value of financial instruments not quoted in active markets;
- assessing the appropriateness of the value of other intangible assets;
- quantifying personnel provisions and provisions for risks and charges;
- estimates and assumptions regarding the recoverability of deferred tax assets.

A.3 – Disclosure on transfers between portfolios of financial assets

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

The Bank did not reclassify financial assets during the year.

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

The Bank did not reclassify financial assets during the year.

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

The Bank did not make portfolio transfers between the different categories of financial assets during the year.

A.4 – Fair value disclosure

Qualitative informaiton

The Bank governs and formalises fair value measurement through internal policies overseen by the Market Risk department.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the assumption that the Bank is a going concern with no intention of liquidating its assets, significantly curtailing the scale of its activities or entering into transactions on unfavourable terms. For this reason, the fair value of an asset or liability is based on the assumption that market participants act in their own best economic interest, giving priority to the principal active markets or, in their absence, the most advantageous secondary active market.

Accordingly, the Bank may use the following valuation approaches:

- market valuation method (using market prices of similar assets, liabilities or equity instruments held as assets by other market participants);
- cost method (i.e. the replacement cost that would currently be required to replace the service capacity of an asset);
- income method (present value technique based on future cash flows expected by a market counterparty holding a liability or an equity instrument as an asset).

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

The valuation techniques adopted by the Bank are the following:

Category	Valuation technique	Level *
ASSETS		
Quoted debt securities	Market prices	1
Equity securities	Cost	3
Loans and advances **		
- on demand (< 3 months)	Cost	2-3
- with maturity (> 3 months)	Present value at the risk-free rate + risk spread	2-3
- impaired	Present value (based on historical recovery curves) at the risk-free rate + risk spread	3
LIABILITIES		
Debt securities issued	Present value at the risk-free rate + risk spread	2-3
Deposits **		
- on demand (< 3 months)	Cost	2-3
- with maturity (> 3 months)	Present value at the risk-free rate + risk spread	2-3
OTHER ASSETS AND LIABILITIES **		
- on demand (< 3 months)	Cost	2-3
- with maturity (> 3 months)	Present value at the risk-free rate + risk spread	2-3

Legend:

* For further clarification on fair value levels, see "A.4.3 Fair value hierarchy".
** Relationships are generally classified as level 3, except for central banks and credit institutions classified as level 2.

The inputs used are the assumptions that market participants would use in determining the price of the asset or liability and may be classified as:

- observable inputs: developed using market data, such as publicly available information on actual transactions or events, and reflecting the assumptions that market participants would use in determining the price of the asset or liability.

- unobservable inputs: market information is not available and they are developed using the best available information about the assumptions that market participants would use to determine the price of the asset or liability. The majority of these inputs are derived from sources internal to the Santander Group.

A volatility adjustment factor known as FVA - fair value adjustment (split into CVA - Credit Value Adjustment and DVA - Debit Value Adjustment for assets and liabilities respectively) is also used. The main aggregates affected by the FVA are the loan portfolio, for which the adjustment factor is included in impairment, while for derivative contracts, daily settlement of positions allows an implicit reabsorption of the adjustment element.

A.4.2 Valuation processes and sensitivity

The risk-free and risk spread parameters are updated quarterly and are intended to incorporate fluctuations arising from market risk. These values are periodically monitored by the Market Risk function in order to continually assess the adequacy of the models used, which are reviewed at least annually.

A.4.3 Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that classifies the inputs to valuation techniques used to measure fair value into three levels. This hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

In particular:

- Level 1: where the instrument is valued directly using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: where no active market price is available and the valuation is performed using a valuation technique based on observable market parameters, or on the use of unobservable parameters that are nonetheless supported and confirmed by market evidence, such as prices, spreads or other inputs;
- Level 3: where valuations are performed using inputs that are not all derived directly from observable market parameters and therefore involve estimates and assumptions by the valuer.

During the year, no transfers between fair value levels were made.

A.4.4 Other information

There are no cases falling within IFRS 13, paragraphs 48, 93(i) and 96.

Quantitative information

A.4.5 Fair value hierarchy

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

	12/31/2025			12/31/2024		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	-	29,831	-	-	40,171	-
a) financial assets held for trading	-	29,831	-	-	40,171	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	203,465	-	-	-	-	-
3. Hedging derivatives	-	11,635	-	-	8,827	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**203,465**	**41,466**	**-**	**-**	**48,999**	**-**
1. Financial liabilities held for trading	-	31,532	-	-	41,280	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	17,586	-	-	32,592	-
Total	**-**	**49,118**	**-**	**-**	**73,872**	**-**

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

At the reporting date, there were no transfers of assets and liabilities between levels.

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

The Bank does not hold level 3 financial assets measured at fair value on a recurring basis.

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

The Bank does not hold level 3 financial liabilities measured at fair value on a recurring basis.

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

Assets / liabilities not measured at fair value or measured at fair value on a non-recurring basis	12/31/2025				12/31/2024			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	7,231,484	203,522		6,990,783	7,015,729	303,332		6,405,573
2. Available-for-sale financial assets								
3. Non-current assets classified as held for sale	5			5	148			148
Total	**7,231,489**	**203,522**	**-**	**6,990,788**	**7,015,876**	**303,332**	**-**	**6,405,721**
1. Financial liabilities measured at amortised cost	6,888,910		3,145,353	3,798,450	6,556,037		2,643,909	3,879,551
2. Liabilities included in disposal groups classified as held for sale								
Total	**6,888,910**	**-**	**3,145,353**	**3,798,450**	**6,556,037**	**-**	**2,643,909**	**3,879,551**

Legend:
BV = carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

A.5 – Disclosure on "Day One Profit/Loss"

The Bank does not hold financial instruments for which the conditions set out in paragraph 28 of IFRS 7 apply.

Part B – Information on the Balance Sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total 12/31/2025	Total 12/31/2024
a) Cash	6	9
b) Current accounts and demand deposits with central banks	104,006	123,610
c) Current accounts and demand deposits with banks	5,723	3,796
Total	**109,735**	**127,415**

Section 2 – Financial assets measured at fair value through profit or loss – Item 20

2.1 Financial assets held for trading: breakdown by product type

Items/Amounts	Total 12/31/2025			Total 12/31/2024		
	L1	L2	L3	L1	L2	L3
A. On-balance-sheet assets						
1. Debt securities		-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-
3. Units in investment funds	-	-	-	-	-	-
4. Loans and advances	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments						
1. Financial derivatives	-	29,831	-	-	40,171	-
1.1 Trading	-	29,831	-	-	40,171	-
1.2 Fair value hedges	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 Trading	-	-	-	-	-	-
2.2 Fair value hedges	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total (B)	**-**	**29,831**	**-**	**-**	**40,171**	**-**
Total (A+B)	**-**	**29,831**	**-**	**-**	**40,171**	**-**

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

The line item "Financial derivatives" includes the positive fair values of derivatives entered into as part of the proprietary securitisation transactions, without derecognition.

2.2 Financial assets held for trading: breakdown by debtors/issuers/counterparties

Items/Amounts	Total 12/31/2025	Total 12/31/2024
A. CASH ASSETS		
1. Debt securities	**-**	**-**
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non financial companies	-	-
d) Other issuers	-	-
3. Units in investment funds	**-**	**-**
4. Loans and advances	**-**	**-**
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**-**	**-**
B. DERIVATIVE INSTRUMENTS	**-**	**-**
a) Central counterparties	-	-
b) Other	29,831	40,171
Total (B)	**29,831**	**40,171**
Total (A+B)	**29,831**	**40,171**

2.3 Financial assets designated at fair value: breakdown by product type

The Bank has no financial assets designated at fair value.

2.4 Financial assets designated at fair value: breakdown by debtors/issuers

The Bank has no financial assets designated at fair value.

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

The Bank has no financial assets mandatorily measured at fair value.

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtors/issuers

The Bank has no other financial assets mandatorily measured at fair value.

Section 3 – Financial assets measured at fair value through other comprehensive income – Item 30

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

Items/Amounts	Total			Total		
	12/31/2025			12/31/2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	203,465	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	203,465	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-
3. Loans and advances	-	-	-	-	-	-
Total	**203,465**	**-**	**-**	**-**	**-**	**-**

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

The line item "Debt securities – Other debt securities" includes securities issued by the Italian State.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtors/issuers

Items/Amounts	Total 12/31/2025	Total 12/31/2024
1. Debt securities	**203,465**	**-**
a) Central Banks	-	-
b) Public administrations	203,465	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other issuers	-	-
- Other financial companies	-	-
of which: insurance companies	-	-
- Non-financial companies	-	-
- Other	-	-
3. Loans and advances	**-**	**-**
a) Central Banks	-	-
b) Public administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**203,465**	**-**

3.3 Financial assets measured at fair value through other comprehensive income: gross carrying amount and total write downs

		Gross carrying amount					Write-downs				Total partial write-offs
		Stage 1	of which: low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities		203,465	-	-	-	-	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-	-
Total	**12/31/2025**	**203,465**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**12/31/2024**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Section 4 – Financial assets measured at amortised cost – Item 40

4.1 Financial assets measured at amortised cost: loans and advances to banks, breakdown by product type

Type of transaction/Amounts	Total 12/31/2025						Total 12/31/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
A. Loans and advances to central banks	**14,575**	**-**	**-**	**-**	**-**	**14,575**	**13,715**	**-**	**-**	**-**	**-**	**13,715**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Mandatory reserves	13,999	-	-	X	X	X	13,138	-	-	X	X	X
3. Repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	576	-	-	X	X	X	576	-	-	X	X	X
B. Loans and advances to banks	**69,135**	**-**	**-**	**-**	**-**	**69,064**	**57,276**	**-**	**-**	**-**	**-**	**56,686**
1. Loans and advances	69,135	-	-	-	-	69,064	57,276	-	-	-	-	56,686
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Other loans and advances:	69,135	-	-	X	X	X	57,276	-	-	X	X	X
- Repos	-	-	-	X	X	X	-	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	69,135	-	-	X	X	X	57,276	-	-	X	X	X
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**83,709**	**-**	**-**	**-**	**-**	**83,639**	**70,991**	**-**	**-**	**-**	**-**	**70,401**

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

The line item "Loans and advances to central banks – Other" includes security deposits in favour of the Single Resolution Fund.

The line item "Loans and advances to banks – Loans and advances – Other" includes:

- the subordinated loan to the subsidiary Stellantis Financial Services Italia amounting to EUR 56,495 thousand (EUR 56,591 thousand in 2024);
- cash collateral related to derivative contracts amounting to EUR 12,618 thousand (EUR 665 thousand in 2024).

4.2 Financial assets measured at amortised cost: loans and advances to customers, breakdown by product type

Type of transaction/Amounts	Total 12/31/2025						Total 12/31/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. Loans and advances	**6,868,528**	**75,804**	**-**	**-**	**-**	**6,907,144**	**6,569,604**	**73,638**	**-**	**-**	**-**	**6,335,172**
1.1. Current accounts	21,619	79	-	X	X	X	3,312	2	-	X	X	X
1.2. Repos	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgages	-	-	-	X	X	X	-	-	-	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	2,579,869	44,550	-	X	X	X	2,686,164	41,719	-	X	X	X
1.5. Lease loans	183,349	1,781	-	X	X	X	168,622	1,187	-	X	X	X
1.6. Factoring	186,378	-	-	X	X	X	141,831	-	-	X	X	X
1.7. Other loans and advances	3,897,312	29,394	-	X	X	X	3,569,675	30,729	-	X	X	X
2. Debt securities	**203,443**	**-**	**-**	**203,522**	**-**	**-**	**301,496**	**-**	**-**	**303,332**	**-**	**-**
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	203,443	-	-	203,522	-	-	301,496	-	-	303,332	-	-
Total	**7,071,970**	**75,804**	**-**	**203,522**	**-**	**6,907,144**	**6,871,100**	**73,638**	**-**	**303,332**	**-**	**6,335,172**

The line item "Current accounts" mainly includes credit facilities granted to dealers.

The line item "Lease loans" includes car leases.

The line item "Factoring" includes relationships with the automotive parent companies, supporting car loans and car leases.

The line item "Other loans and advances" mainly includes:

- car loans;
- special-purpose loans;
- Stock financing granted to dealers, supporting car loans and car leases;
- TFS loans;
- items relating to the salary assignment product;
- intragroup loans to renting companies;
- items relating to securitisation transactions (mainly current accounts), arising from the synthetic exposure in the individual financial statements.

The line item "Debt securities – Other debt securities" includes securities issued by the Italian State.

4.3 Financial assets measured at amortised cost: loans and advances to customers, breakdown by debtors/issuers

Type of transaction / Amounts	Total			Total		
	12/31/2025			12/31/2024		
	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired assets	Stage 1 and Stage 2	Stage 3	Purchased or originated credit-impaired assets
1. Debt securities	**203,443**	**-**	**-**	**301,496**	**-**	**-**
a) Public administrations	203,443	-	-	301,496	-	-
b) Other financial companies	-	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Loans and advances to:	**6,868,528**	**75,804**	**-**	**6,569,604**	**73,638**	**-**
a) Public-sector entities	797	3,031	-	958	3,479	-
b) Other financial companies	31,985	89	-	34,956	41	-
of which: insurance companies	1	4	-	2	3	-
c) Non-financial companies	839,982	6,400	-	700,867	6,111	-
d) Households	5,995,763	66,284	-	5,832,823	64,007	-
Total	**7,071,970**	**75,804**	**-**	**6,871,100**	**73,638**	**-**

4.4 Financial assets measured at amortised cost: gross carrying amount and total write downs

		Gross carrying amount					Write-downs				
		Stage 1	of which: low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Total partial write-offs
Debt securities		203,443	-	-	-	-	-	-	-	-	-
Loans		6,878,515	-	136,668	151,002	-	37,755	25,191	75,198	-	-
Total as at	**46**	**7,081,958**	**-**	**136,668**	**151,002**	**-**	**37,755**	**25,191**	**75,198**	**-**	**-**
Total as at	**12/31/2024**	**6,882,218**	**-**	**114,064**	**177,164**	**-**	**30,033**	**24,158**	**103,526**	**-**	**-**

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by hedging type and by hierarchy level

	Fair Value			NV	Fair Value			NV
	12/31/2025				12/31/2024			
	L1	L2	L3	12/31/2025	L1	L2	L3	12/31/2024
A. Financial derivatives								
1) Fair value	-	10,038	-	2,492,413	-	8,827	-	600,416
2) Cash flows	-	1,597	-	724,954	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**11,635**	**-**	**3,217,367**	**-**	**8,827**	**-**	**600,416**

Legend:
VN = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

For information on the effectiveness testing of the hedge in relation to the hedged item, please refer to the Notes to the Financial Statements – Part E – Section 2 – Market risks.

5.2 Hedging derivatives: breakdown by hedged portfolios and by hedging type

Transaction / Type of hedging	Fair Value						Cash-flow hedges		Net Investments on foreign subsidiaries
	Micro					Macro	Micro	Macro	
	debt securities and interest rates	equity securities and stock indexes	currencies and gold	commodities	others				
1. Available for sale financial assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Portfolio	X	X	X	X	X	10,038	X	-	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**10,038**	**-**	**-**	**-**
Financial Liabilities	-	-	-	X	-	X	1,597	X	X
Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**1,597**	**-**	**X**
1. Highly probable transactions (CFH)	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Section 6 – Fair value adjustment of financial assets subject to macro hedge – Item 60

6.1 Fair value adjustment of hedged assets: breakdown by hedged portfolios

	Total 12/31/2025	Total 12/31/2024
1. Positive fair value changes	**6,294**	**25,458**
1.1 of specific portfolios:	6,294	25,458
a) financial assets at amortized cost	6,294	25,458
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
1.2 overall	-	-
2. Negative fair value changes	**10,807**	**21,110**
2.1 of specific portfolios:	10,807	21,110
a) financial assets at amortized cost	10,807	21,110
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
2.2 overall	-	-
Total	**(4,513)**	**4,347**

This item recognises the balance of changes in the value of assets subject to generic hedge (*macrohedging*) against interest rate risk. For its application, the Bank avails itself of the option, provided by IFRS 9, to continue applying the provisions permitted by IAS 39 in the *carve-out* version.

The positive adjustment of EUR 6,294 thousand (EUR 25,458 thousand in 2024) represents the fair value adjustment of financial assets subject to macro hedge against interest rate risk and is attributable to changes in interest rates.

The negative adjustment of EUR 10,807 thousand (EUR 21,110 thousand in 2024) represents the residual value of the unwinding transaction carried out in 2024, for which amortisation continues based on the residual life estimated as at the transaction date.

Section 7 – Equity investments – Item 70

7.1 Equity investments: disclosure

Company name	Registered Office	Head Office	% holding	% of votes
A. Subsidiaries				
1. Stellantis Financial Services Italia S.p.A.	Torino	Torino	50.0%	
2. Stellantis Renting Italia S.p.A.	Trento	Trento	50.0%	
3. TIMFin S.p.A.	Torino	Torino	51.0%	
4. Santander Consumer Renting S.r.l.	Bolzano		100%	
5. Drive S.r.l.	Bolzano		100%	
B. Joint ventures				
C. Companies under significant influence				

7.2 Significant equity investments: carrying amount, fair value and dividends received

In accordance with the applicable regulations, for the disclosure on subsidiaries with significant minority interests, please refer to the Notes to the Consolidated Financial Statements – Part A – Section 3 – Scope and methods of consolidation.

7.3 Significant equity investments: accounting information

In accordance with the applicable regulations, for the disclosure on subsidiaries with significant non-controlling interests, please refer to the Notes to the Consolidated Financial Statements – Part A – Section 3 – Scope and methods of consolidation.

7.4 Non-significant equity investments: accounting information

The Bank does not report non-significant equity investments in its financial statements.

7.5 Equity investments: annual changes

	Total 31/12/2025	Total 31/12/2024
A. Opening balance	**345,690 €**	**345,690 €**
B. Increases	**12,426 €**	
B.1 Purchases	12,426 €	
B.2 Writebacks		
B.3 Revaluations		
B.4 Other changes		
C. Decreases		
C.1 Sales		
C.2 Adjustments		
C.3 Devaluations		
C.4 Other changes		
D. Closing balance	**358,116 €**	**345,690 €**
E. Total revaluations		
F. Total adjustments		

During the year, the Bank carried out the following increases:

- purchase of the minority interests in Drive (equal to 25% of its share capital) for EUR 426 thousand;
- contribution towards a future capital increase in Drive for EUR 3,000 thousand;
- contribution towards a future capital increase in Santander Consumer Renting for EUR 9,000 thousand.

For further information, please refer to the “Consolidated Report on Operations – Matters of note”.

7.6 Commitments relating to equity investments in jointly controlled entities

The Bank does not hold equity investments in jointly controlled entities.

7.7 Commitments relating to equity investments in entities subject to significant influence

The Bank does not hold equity investments in entities subject to significant influence.

7.8 Significant restrictions

The Bank is not subject to significant restrictions.

7.9 Other information

Equity investments are individually subject to impairment testing in accordance with IAS 36. Where the conditions set out therein are met, the recoverable amount is determined as the higher of fair value and value in use (the latter determined by discounting cash flows at a rate that reflects current market rates and the specific risks of the asset, or by using other valuation criteria and methods that are generally adopted and suitable for the proper measurement of the investment). If the recoverable amount is lower than the carrying amount, the latter is reduced accordingly by recognising the corresponding impairment loss in the income statement. With reference to investments in subsidiaries, it should be noted that the recoverable amount is generally determined by discounting future income cash flows at an appropriate discount rate, as detailed below.

Estimation of cash flows for determining the value in use of Equity investments in subsidiaries

Projections

The set of projections used for the impairment test of investments in subsidiaries is based on two alternative scenarios, in order to reflect the uncertainty and volatility of the macroeconomic environment. The two scenarios are structured as follows:

- "Base" scenario based on the financial forecasts underlying the 2026–2028 strategic plan;
- "Stressed" scenario, adverse compared to the "base" scenario, which reflects downward macroeconomic forecasts for 2026–2028 in order to factor in the higher risks inherent in the current uncertain environment.

Impairment test model

The value in use for impairment testing purposes is calculated using a discounted cash flow model (*Discounted Cash Flow* - DCF). Expected cash flows are equal to net results attributable to the Group (excluding the minority interest share) derived from the above and from the determination of a Terminal Value. The Terminal Value is determined using the "*Perpetuity Method*", assuming a long-term nominal growth rate of 2% (Source: the European Central Bank's target inflation rate) and a discount rate as detailed below.

Discount rates

Future cash flows were discounted using an estimate of the discount rate, which incorporates, in the cost of equity, the various risk factors related to the sector of activity. The discount rate used is a nominal after-tax rate.

In particular, the cost of capital for each investment under the different scenarios is estimated using the *Capital Asset Pricing Model* (CAPM) as the sum of the following elements:

- Risk-free rate: equal to the yield on the government *benchmark* bond of the relevant country;
- Equity risk premium: given by the product of the following factors:
  - Beta (β) of the Parent Company Banco Santander;
  - Stock market risk premium: defined as the difference between the return on the equity market and that on the bond market.

<u>Results of the impairment test</u>

The test did not identify any significant *impairment*.

Section 8 – Property, plant and equipment – Item 80

8.1 Property, plant and equipment for own use: breakdown of assets measured at cost

Activities/Values	Total 12/31/2025	Total 12/31/2024
1. Owened assets	**1,579**	**2,422**
a) lands	-	-
b) buildings	-	-
c) furniture	171	261
d) electronic system	1,080	1,762
e) other	328	399
2. Leased assets	**9,997**	**10,410**
a) lands	-	-
b) buildings	9,489	10,295
c) furniture	-	-
d) electronic system	-	-
e) other	508	115
Total	**11,576**	**12,831**
of which: obtained by the enforcement of collateral	-	-

The table below shows the useful lives determined for the purposes of calculating the annual depreciation charge on owned assets:

Category of asset	Useful life (years)
OFFICE FORNITURE AND FURNISHING	9
ORDINARY OFFICE MACHINES	9
DATA PROCESSING MACHINES	5
TELEPHON SYSTEMS	4
VEHICLES	4
MISCELLANEOUS EQUIPMENT	4
SOFTWARE EXPENDITURE	3
DEFERRED CHARGES TO BE AMORTISED	6

For further information on property, plant and equipment acquired under finance leases, please refer to the Notes to the Financial Statements – Part M – Lease disclosures.

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

No property, plant and equipment held for investment purposes are reported.

8.3 Property, plant and equipment for own use: breakdown of revalued assets

No revalued property and equipment for own use are reported.

8.4 Property, plant and equipment held for investment purposes: breakdown of assets measured at fair value

No property, plant and equipment held for investment purposes are reported.

8.5 Inventories of property, plant and equipment governed by IAS 2: breakdown

The Bank does not report property, plant and equipment obtained through the enforcement of collateral received, or other inventories of property, plant and equipment.

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

	Lands	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	**-**	**15,558**	**2,730**	**15,085**	**6,194**	**39,567**
A.1 Total net reduction value	-	5,264	2,470	13,323	5,680	26,736
A.2 Net opening balance	**-**	**10,295**	**261**	**1,762**	**514**	**12,831**
B. Increase:	**-**	**478**	**-**	**54**	**2,355**	**2,886**
B.1 Purchasing	-	311	-	54	916	1,281
- of which business combinations	-	-	-	-	-	-
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from investment properties	-	-	X	X	X	-
B.7 Other adjustment	-	167	-	-	1,438	1,605
C. Decrease:	**-**	**1,283**	**89**	736	**2,034**	**4,142**
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Amorization	-	1,116	89	736	595	2,536
C.3 Impairment losses allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
C.4 Negative chages in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
C.5 Negative exchange difference	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) held for sale investment	-	-	X	X	X	-
b) non-current assets and group of assets held for sale	-	-	-	-	-	-
C.7 Other adjustment	-	167	-	-	1,438	1,605
D. Net closing balance	**-**	**9,489**	**171**	**1,080**	**835**	**11,576**
D.1 Total net write-down	-	6,213	2,559	14,058	4,836	27,666
D.2 Final gross balance	**-**	**15,702**	**2,730**	**15,139**	**5,672**	**39,242**
E. Carried at cost	-	-	-	-	-	-

The items under "Other adjustments" include derecognitions (of historical cost and the related accumulated depreciation) recorded during the year.

Each class of assets is measured at cost. Sub-item E (Measurement at cost) shows a zero balance, since, as provided for by Bank of Italy Circular No. 262 of 2005, it must be filled in only for property and equipment measured at fair value in the financial statements.

The table below shows the annual changes relating to right-of-use assets for property, plant and equipment for own use acquired under finance leases:

	Lands	Buildings	Furniture	Electronic System	Others	Total
A. Gross opening balance	**-**	**15,558**	**-**	**-**	**1,438**	**16,997**
A.1 Total net reduction value	-	5,264	-	-	1,323	6,587
A.2 Opening net balance	**-**	**10,295**	**-**	**-**	**115**	**10,410**
B. Increase:	**-**	**478**	**-**	**-**	**2,309**	**2,786**
B.1 Purchasing	-	311	-	-	870	1,181
- of which business combinations	-	-	-	-	-	-
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increases in fair value	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit & loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from properties held for investment	-	-	-	-	-	-
B.7 Other adjustment	-	167	-	-	1,438	1,605
C. Decreases:	**-**	**1,283**	**-**	**-**	**1,916**	**3,199**
C.1 Disposal	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Depreciation	-	1,116	-	-	478	1,594
C.3 Impairment losses	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit & loss	-	-	-	-	-	-
C.4 Negative chages in fair value	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) through profit & loss	-	-	-	-	-	-
C.5 Negative exchange difference	-	-	-	-	-	-
C.6 Transfer to::	-	-	-	-	-	-
a) Property, plant and equipment held for investment	-	-	-	-	-	-
b) non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-
C.7 Other adjustment	-	167	-	-	1,438	1,605
D. Net final balance	**-**	**9,489**	**-**	**-**	**508**	**9,997**
D.1 Total net reduction in value	-	6,213	-	-	363	6,575
D.2 Gross closing balance	**-**	**15,702**	**-**	**-**	**870**	**16,572**
E. Carried at cost	-	-	-	-	-	-

The items under "Other adjustments" include derecognitions (of historical cost and the related accumulated depreciation) recorded during the year.

8.7 Property, plant and equipment held for investment purposes: annual changes

The Bank does not report property, plant and equipment held for investment purposes.

8.8 Inventories of property, plant and equipment governed by IAS 2: annual changes

The Bank does not report property, plant and equipment governed by IAS 2.

8.9 Commitments to purchase property, plant and equipment

The Bank has no commitments to purchase property, plant and equipment.

Section 9 – Intangible assets – Item 90

9.1 Intangible assets: breakdown by type of asset

Activities/Values	Total 12/31/2025		Totale 12/31/2024	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**-**	**X**	**-**
A.2 Other intangible asset	**15,279**	**-**	**16,689**	**-**
of which: software	15,279	-	16,689	-
A.2.1 Assets valued at cost:	**15,279**	**-**	**16,689**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	15,279	-	16,689	-
A.2.2 Assets valued at fair value:	**-**	**-**	**-**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**15,279**	**-**	**16,689**	**-**

The software item also includes software under development amounting to EUR 1,459 thousand (EUR 732 thousand in 2024).

Software has a useful life of 3 years.

9.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: others		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	**-**	**-**	**-**	**28,266**	**-**	**28,266**
A.1 Reductions of total net value	-	-	-	11,577	-	11,577
A.2 Net opening balance	**-**	**-**	**-**	**16,689**	**-**	**16,689**
B. Increases	**-**	**-**	**-**	**14,617**	**-**	**14,617**
B.1 Purchases	-	-	-	7,189	-	7,189
- of which business combinations	-	-	-	-	-	-
B.2 Increments of internal intagible assets	X	-	-	-	-	-
B.3 Value recoveries	X	-	-	-	-	-
B.4 Positive variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other variations	-	-	-	7,428	-	7,428
C. Decreases	**-**	**-**	**-**	**16,028**	**-**	**16,028**
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Value adjustment	-	-	-	8,602	-	8,602
- Amortisations	X	-	-	8,602	-	8,602
- Depreciations	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ P&L statement	-	-	-	-	-	-
C.3 Negative variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
C.4 Transfer to non-current assets	-	-	-	-	-	-
C.5 Negative exchange differrences	-	-	-	-	-	-
C.6 Other variations	-	-	-	7,426	-	7,426
D. Net final surplus	**-**	**-**	**-**	**15,279**	**-**	**15,279**
D.1 Adjustment of net total values	-	-	-	12,751	-	12,751
E. Gross final surplus	**-**	**-**	**-**	**28,030**	**-**	**28,030**
F. Evaluation to cost	-	-	-	-	-	-

Legend:
DEF: finite life
INDEF: indefinite life

The items under “Other variations” include derecognitions (of historical cost and the related accumulated amortisation) recorded during the year.

Each class of assets was measured at cost. Sub-item F (Measurement at cost) is not completed, since, as provided for by Bank of Italy Circular No. 262 of 2005, it must be filled in only for intangible assets measured at *fair value* in the financial statements.

9.3 Intangible assets: other information

No further information is required.

Section 10 – Tax assets and liabilities – Asset item 100 and Liabilities and Shareholder's equity item 60

10.1 Deferred tax assets: breakdown

	12/31/2025	12/31/2024
To profit and loss statement	**63,959**	**97,217**
of which temporary differences:	22,024	20,760
- Tax losses and ACE	-	2,392
- Adjustments on credits deductible in future financial years	1,353	1,333
- Provisions for future charges	20,205	16,405
- Intangible assets	133	131
- Material assets	334	490
- Other	-	8
of which convertible temporary differences pursuant to Law 214/2011:	41,935	76,457
- Tax losses	-	35,164
- Rettifiche su crediti deducibili in futuri esercizi	41,935	41,293
To equity	**231.00**	**238**
- Financial assets measured at fair value	-	-
- Actuarial profit (loss)	231	238
Total	**64,190**	**97,454**

With regard to the recoverability of deferred tax assets, taking into account their nature and future development prospects in terms of the ability to generate taxable income, no specific aspects have been identified that could affect their recoverability.

10.2 Deferred tax liabilities: breakdown

	12/31/2025	12/31/2024
To profit and loss statement	**-**	**-**
of which temporary differences:	-	-
- Other	-	-
To equity	**578**	**-**
- Actuarial profit (loss)	13	-
- Cash flow coverage	564	-
Total	**578**	**-**

10.3 Changes in deferred tax assets (through income statement)

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**97,217**	**116,481**
2. Increase	**12,094**	**43,825**
2.1 Deferred tax assets of the year	10,585	43,825
a) related to previous fiscal year	2,544	1,672
b) due to changes in accountable parameters	-	-
c) write-backs	-	-
d) others	8,042	42,153
2.2 New levies or increases in fiscal rates	1,509	-
2.3 Other increases	-	-
3. Decreases	**45,352**	**63,089**
3.1 deferred tax assets reversed during the year	9,904	45,725
a) reversals of temporary differences	9,904	45,725
b) write-downs of non-recoverable items	-	-
c) changes in accountable parameters	-	-
d) others	-	-
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	35,448	17,363
a) conversion into tax credit under L. 214/2011	35,448	17,363
b) others	-	-
4. Closing balance	**63,959**	**97,217**

With regard to the "increases":

- "deferred tax assets recognised during the year":
- "related to previous fiscal year" includes the adjustments made upon filing the 2024 corporate income tax return, consisting mainly of the recognition of tax losses arising from the review of the Patent Box contribution for the previous year;
- "others" mainly includes movements relating to provisions.
- "new levies or increases in fiscal rates" reflects the increase in the IRAP rate for the banking sector (for further information, please refer to the Consolidated Report on Operations – Matters of note).

With regard to the "decreases":

- "deferred tax assets reversed during the year – reversals" mainly includes movements relating to provisions and to the utilisation of non-monetisable tax losses and prior-year ACE;
- "other decreases – conversion into tax credits pursuant to Italian Law No. 214/2011" includes the conversion of monetisable tax losses carried out upon filing the 2024 corporate income tax return; for further details, please refer to the table in the following paragraph.

10.3bis Changes in deferred tax assets pursuant to Law No. 214/2011

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**76,457**	**93,532**
2. Increases	**926**	**35,922**
3. Decreases	**35,448**	**52,997**
3.1 Reversals of temporary differences	-	35,634
3.2 Transformation into tax credits	35,448	17,363
a) Due to loss positions arisen from P&L	-	-
b) Due to tax losses	35,448	17,363
3.3 Other decreases	-	-
4. Closing balance	**41,935**	**76,457**

With regard to the deferred tax assets pursuant to Law No. 214/2011 recognised in the financial statements, their full convertibility into tax credits is highlighted, in accordance with the relevant statutory provisions, following the exercise of the option pursuant to Article 11 of Decree-Law No. 59/2016, as amended.

The “increases” mainly reflect the increase in the tax rates referred to above.

The “decreases” include the conversion of monetisable tax losses carried out upon filing the 2024 corporate income tax return.

10.4 Changes in deferred tax liabilities (through income statement)

	Total 12/31/2025	Total 12/31/2024
1. Initial amount	**-**	**164**
2. Increase	**-**	**-**
2.1 Defered levies observed in the fiscal year	**-**	**-**
a) related to precedent fiscal year	-	-
b) due to change in accountability parameters	-	-
c) others	-	-
2.2 New levies or increments of fiscal rates	**-**	**-**
2.3 Other increases	**-**	**-**
- di cui operazioni di aggregazione aziendale	-	-
3. Decreases	**-**	**164**
3.1 Deferred levies reversed in the fiscal year	-	164
a) reversals of temporary differences	-	164
b) due to changes in accountable parameters	-	-
c) others	-	-
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
- di cui operazioni di aggregazione aziendale	-	-
4. Final amount	**-**	**-**

10.5 Changes in deferred tax assets (through shareholder's equity)

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**238**	**257**
2. Increases	**-**	**10**
2.1 Deferred tax assets during the year	-	10
b) related to previous fiscal years	-	-
b) due to changes in accountable parameters	-	-
c) others	-	10
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	-
- of which: business combinations	-	-
3. Decreases	**7**	**29**
3.1 Deferred tax assets reversed during the year	7	29
a) reversals of temporary differences	-	-
b) devaluation for appeared irrecoverability	-	-
c) due to changes in accountable parameters	-	-
d) others	7	29
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
- of which: business combinations	-	-
4. Closing balance	**231**	**238**

The "decreases – deferred tax assets reversed during the year – other" include changes relating to actuarial gains (losses).

10.6 Changes in deferred tax liabilities (with a corresponding entry in equity)

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**-**	**-**
2. Increases	**578**	**-**
2.1 Defered levies observed in fiscal year	578	-
a) related to previous fiscal year	-	-
b) due to changes in accountable parameters	-	-
c) others	578	-
2.2 New levies or increases in fiscal rates	-	-
2.3 Other increases	-	-
- di cui operazioni di aggregazione aziendale	-	-
3. Decreases	**-**	**-**
3.1 Deferred levies reversed in fiscal year	-	-
a) reversals of temporary differences	-	-
b) due to changes in accountable parameters	-	-
c) others	-	-
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
- of which: business combination	-	-
4. Closing balance	**578**	**-**

The "increases – deferred tax liabilities recognised during the year – other" include changes relating to gains (losses) on micro cash flow hedges and on financial assets measured at fair value.

10.7 Other information

Current tax assets amount to EUR 63,630 thousand (EUR 38,433 thousand in 2024) and include tax credits arising from the conversion of deferred tax assets, as well as tax credits relating to direct taxes.

Current tax liabilities show no balance (also no balance in 2024), as the liability has been offset against tax assets, in accordance with IAS 12.

Section 11 – Non-current assets held for sale and discontinued operations and associated liabilities – Assets item 110 and Liabilities and Shareholders' equity item 70

11.1 Non-current assets held for sale and discontinued operations: breakdown by type

	12/31/2025	12/31/2024
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Tangible assets	5	148
of which: inventories of tangible assets arising from the recovery of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non current assets	-	-
Total A	**5**	**148**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	5	148
B. Discontinued operations		
B.1 Financial assets at fair value with effect on P&L	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily designated at fair value	-	-
B.2 Financial assets designated at fair value with effects on comprehensive income	-	-
B.3 Financial assets valued at amortized cost	-	-
B.4 Equity investments	-	-
B.5 Tangible assets	-	-
of which: inventories of tangible assets arising from the recovery of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	**-**	**-**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	-	-
C. Liabilities associated with assets held for sale		
C.1 Deposits	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	**-**	**-**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	-	-
D. Liabilities linked to discontinued operations		
D.1 Financial liabilities valued at amortized cost	-	-
D.2 Financial trading liabilities	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Reserves	-	-
D.5 Other liabilities	-	-
Total D	**-**	**-**
of which carried at cost	-	-
of which carried at fair value level 1	-	-
of which carried at fair value level 2	-	-
of which carried at fair value level 3	-	-

11.2 Other information

No further information is provided with reference to IFRS 5, paragraph 42.

Section 12 – Other assets – Item 120

12.1 Other assets: breakdown

	12/31/2025	12/31/2024
Transaction in transit	**2,730**	**3,841**
Insurance	**36,852**	**39,350**
Receivables deriving from the supply of non-financial goods and services	**24,525**	**17,086**
Operation leases	-	-
Other intragroup assets	11,881	5,901
Due from dealers	2,197	1,082
Advances to suppliers and different customers	10,446	10,103
Tax accounts	**43,172**	**46,187**
VAT	26,262	28,016
Stamp duties	14,735	16,078
Other tax receivables	2,175	2,094
Leasehold improvements	**710**	**920**
Accrued income and prepaid expenses	**3,274**	**1,108**
Operating lease	-	-
Others	3,274	1,108
Other assets	**1,241**	**74**
Frauds	-	-
Security deposits	34	34
Grant	-	-
Pending costs	-	-
Warehouse inventories	-	-
Others	1,207	40
Total	**112,504**	**108,566**

Below is the disclosure relating to the breakdown of the items:

- "Transaction in transit" mainly includes items being processed relating to instalment collection operations;
- "Insurance" mainly includes receivables for fees linked to insurance intermediation activities;
- "Receivables deriving from the supply of non-financial goods and service":
  - "Intragroup assets" includes receivables from companies of the Santander Consumer Bank Group;
  - "Due from dealers" mainly includes items due from dealers and agents in respect of invoices issued around year-end;
  - "Advances to suppliers and different customers" mainly includes items relating to service activities provided to companies belonging to the Banco Santander Group that are not part of the Italian legal group, such as Hyundai Capital Bank Europe – Italian branch;
- "Tax accounts":
  - "VAT" mainly includes items arising from the Group VAT, consisting of Santander Consumer Bank, TIMFin, Santander Consumer Renting and Drive;
  - "Stamp duties" includes advance payments for which the Bank acts as withholding agent on behalf of customers;
  - "Other" mainly includes tax credits requested for refund;

- "Leasehold improvements" includes the residual amortisable amount relating to expenditure incurred on the Company's premises;
- "Accrued income and prepaid expenses – Other" mainly includes prepaid administrative expenses relating to IT systems.

LIABILITIES

Section 1 – Financial liabilities measured at amortised cost – Item 10

1.1 Financial liabilities measured at amortised cost: deposits from banks, breakdown by type

Type of transaction/Values	Total 12/31/2025				Total 12/31/2024			
	B V	Fair Value			B V	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Deposits from central banks	**-**	X	X	X	**-**	X	X	X
2. Deposits from banks	**1,733,983**	X	X	X	**1,746,877**	X	X	X
2.1 Current accounts and demand deposits	-	X	X	X	-	X	X	X
2.2 Time deposits	-	X	X	X	-	X	X	X
2.3 Loans	1,729,243	X	X	X	1,737,387	X	X	X
2.3.1 Repos	-	X	X	X	-	X	X	X
2.3.2 Other	1,729,243	X	X	X	1,737,387	X	X	X
2.4 Liabilities relating to commitments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other liabilities	4,740	X	X	X	9,490	X	X	X
Total	**1,733,983**	**-**	**-**	**1,740,921**	**1,746,877**	**-**	**-**	**1,744,515**

Legend:
VB = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item “Deposits from banks – Loans – Other” includes the facilities granted by the Spanish Parent Company.

The item Deposits from banks – Other liabilites” includes cash collateral related to derivative contracts.

1.2 Financial liabilities measured at amortised cost: deposits from customers, breakdown by type

Type of transaction/Value	Total 12/31/2025				Total 12/31/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	868,230	X	X	X	794,629	X	X	X
2. Time deposits	620,699	X	X	X	749,929	X	X	X
3. Loans	-	X	X	X	-	X	X	X
3.1 Repos	-	X	X	X	-	X	X	X
3.2 Other	-	X	X	X	-	X	X	X
4. Liabilities relating to commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease payables	10,763	X	X	X	11,109	X	X	X
6. Other liabilities	2,941,044	X	X	X	2,483,574	X	X	X
Total	**4,440,736**	**-**	**3,145,353**	**1,328,765**	**4,039,242**	**-**	**2,643,909**	**1,349,097**

Legend:
VB = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item “Other liabilities” includes the “conventional” liability recognised by the Bank vis-à-vis the Golden Bar vehicle, for the purposes of recognising securitisation transactions in the financial statements. For further details, please refer to the “Notes to the Financial Statements – Part E – Section 1 – Paragraph C – Securitisation transactions”.

1.3 Financial liabilities measured at amortised cost: debt securities issued, breakdown by type

Type of securities/Values	Total 12/31/2025				Total 12/31/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Debts securities including bonds								
1. bonds	714,191	-	-	728,764	769,918	-	-	785,939
1.1 structured	-	-	-	-	-	-	-	-
1,2 other	714,191	-	-	728,764	769,918	-	-	785,939
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	**714,191**	**-**	**-**	**728,764**	**769,918**	**-**	**-**	**785,939**

Legend:
VB = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

The balance of the item "Debt securities issued– Bonds – Other" includes *senior not preferred* bonds, fully subscribed by the Parent Company.

1.4 Detail of subordinated debts/securities

Type	12/31/2025	12/31/2024
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2029	10,000	10,000
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2031	55,000	55,000
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2033	80,000	80,000
Total	**145,000**	**145,000**

This item includes funding granted by companies belonging to the Santander Group, classified under "Deposits from banks".

1.5 Details of structured debts

The Bank does not report structured debts.

1.6 Lease payables

Below is the breakdown of cash outflows for leases relating to the 2025 financial year (IFRS 16 paragraph 53) and the maturity analysis of the related liabilities (IFRS 16 paragraph 58).

	Capital	Interest	Variable payments	Total cash flow leasing
	a	b	c	d=a+b+c
cash outflows	2,618	301	402	3,321

	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
Lease payables	-	111	-	-	222	334	673	3,948	5,475	-

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by tye

Operation type / Values	Total 12/31/2025					Total 12/31/2024				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Financial liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments										
1. Financial derivatives	-	-	31,532	-	X	-	-	41,280	-	-
1.1 Trading	X	-	31,532	-	X	X	-	41,280	-	X
1.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credits derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**-**	**31,532**	**-**	**X**	**X**	**-**	**41,280**	**-**	**X**
Total (A+B)	**X**	**-**	**31,532**	**-**	**X**	**X**	**-**	**41,280**	**-**	**X**

Legend:
VN = nominal or notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair value* = fair value calculated excluding changes in value due to changes in the issuer's creditworthiness compared with the issue date

The item "Financial derivatives" includes the negative fair values of derivatives entered into as part of securitisation transactions with companies of the Santander Group.

2.2 Detail of "Financial liabilities held for trading": subordinated liabilities

The Bank does not report subordinated liabilities classified under "Financial liabilities held for trading".

2.3 Detail of "Financial liabilities held for trading": structured debts

The Bank does not report structured debts.

Section 3 – Financial liabilities designated at fair value – Item 30

The Bank does not report financial liabilities designated at fair value.

Section 4 – Hedging derivatives – Item 40

4.1 Hedging derivatives: breakdown by hedging type and by hierarchy levels

	NV	Fair value	12/31/2025		NV	Fair value	12/31/2024	
	12/31/2025	L1	L2	L3	12/31/2024	L1	L2	L3
A) Financial derivatives	**1,877,489**	**-**	**17,586**	**-**	**2,928,536**	**-**	**32,592**	**-**
1) Fair value	1,877,489	-	17,586	-	2,928,536	-	32,592	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**1,877,489**	**-**	**17,586**	**-**	**2,928,536**	**-**	**32,592**	**-**

Legend:
VN = Notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

For information on the effectiveness testing of the hedge in relation to the hedged item, please refer to the Notes to the Financial Statements – Part E – Section 2 – Market risks.

4.2 Hedging derivatives: breakdown by hedged portfolios and by hedging type

Transactions/Type of hedge	Fair Value							Cash flow		Foreign invest.
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equities and equity index	currencies and gold	credit	commodities	others				
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets valued to amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	17,586	X	-	X
4. Other operations	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**17,586**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 5 – Fair value adjustment of financial liabilities subject to macro hedge – Item 50

The Bank does not report financial liabilities subject to macro hedge.

Section 6 – Tax liabilities – Item 60

As regards the disclosures in this section, please refer to the information provided in the Notes to the Financial Statements – Section 10 of the Assets.

Section 7 – Liabilities associated with assets held for sale – Item 70

The Bank does not have any liabilities associated with assets held for sale and discontinued operations.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

	12/31/2025	12/31/2024
Transactions in transit	**31,513**	**31,637**
Insurance	**37,812**	**32,890**
Payables deriving from the supply of non-financial goods and services	**95,858**	**65,272**
Other intragroup items	27,795	20,357
Due from dealers	47,531	24,733
Advances to suppliers	20,531	20,182
Tax accounts	**16,645**	**19,048**
Payables relating to customers	**14,820**	**15,077**
Payables relating to personnel and social security institutions	**16,782**	**13,317**
Accruals and prepaid expenses	**26**	**252**
Other	26	252
Other liabilities	**1,226**	**1,027**
Others	1,226	1,027
Total	**214,683**	**178,520**

Below is the disclosure relating to the breakdown of the items:

- "Transactions in transit" mainly includes items in process relating to instalment collection activities and loan disbursement settlements;
- "Insurance" mainly includes premiums payable to insurance companies and the provision created under IFRS 15 to cover possible commission clawbacks, relating to premiums not yet earned by customers, in the event of early termination of insurance coverage;
- "Payables deriving from the supply of non-financial goods and services":
  - "Other intragroup items" includes payables to companies of the Santander Consumer Bank Group, mainly relating to the Group VAT and tax consolidation;
  - "Due from dealers" mainly includes commission payables to dealers and agents as well as the supplementary customer indemnity provision;
  - "Advances to suppliers" includes payables relating to operating expenses;
- "Tax accounts" mainly include withholding taxes payable;

- "Payables relating to customers" includes temporary payables to customers for early repayments and temporary debit balances for instalments collected in advance of the contractual due date;
- "Payables relating to personnel and social security institutions" includes, in addition to ordinary operating items, contractual obligations in connection with staff exit incentives amounting to EUR 5,280 thousand (EUR 6,554 thousand in 2024), the amount of which may vary depending on social security components until settlement;
- "Other liabilities – Other" mainly includes solidarity funds managed by the Bank.

Section 9 – Employee severance indemnity – Item 90

9.1 Employee severance indemnity: annual changes

	Total 12/31/2025	Total 12/31/2024
A. Opening balance	**1,788**	**2,294**
B. Increases	**51**	**129**
B.1 Provision of the year	51	77
B.2 Other increases	-	52
- of which business aggregation operations	-	-
C. Reductions	**123**	**635**
C.1 Liquidations performed	99	635
C.2 C.2 Other reductions	24	-
- of which business aggregation operations	-	-
D. Closing balance	**1,716**	**1,788**
Total	**1,716**	**1,788**

Since the effective date of the reform introduced by Law No. 296/2006 (2007 Finance Act) on supplementary pension schemes, allocations relate exclusively to the *interest cost*.

Other increases and decreases relate to movements in actuarial assumptions.

9.2 Other information

The actuarial assumptions adopted to measure the provision as at the financial statements date are as follows:

- discount rate: 3.30%;
- expected inflation rate: 1.70%;
- frequency of advances: 5.00%;
- termination frequency for reasons other than death, disability or retirement: 6.50%
- retirement frequency: 100% in the year in which the statutory requirements are met.

The following demographic technical bases were used:

- mortality: generational table with *age-shifting* IPS55;
- disability: INPS tables;
- retirement: in accordance with Law No. 214/2011.

With regard to the application of the amendments to IAS 19 introduced by EU Regulation No. 475/2012, a sensitivity analysis of changes in the discount rate is provided below.

Sensitivity analysis	12/31/2025	12/31/2024
Sensitivity to the discount rate		
a. Assumption (+50 bps)	3.80%	3.60%
b. DBO	1,671	1,813
c. Assumption (-50 bps)	2.80%	2.60%
d. DBO	1,763	1,718

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items / Values	Total 12/31/2025	Total 12/31/2024
1. Funds for credit risk related to financial obligations and warranties	-	4
2. Funds on other obligations and warranties release	-	-
3. Funds of business retirement	-	-
4. Other funds for risks and obligations	13,644	9,261
4.1 legal and fiscal controversies	610	659
4.2 obligations for employees	3,116	-
4.3 others	9,917	8,602
Total	**13,644**	**9,265**

10.2 Provisions for risks and charges: annual changes

		Pensions and post retirement benefit obligations	Other risk and obligation funds	Total
A. Initial existence	**-**	**-**	**9,261**	**9,261**
B. Increases	**-**	**-**	**7,292**	**7,292**
B.1 Reserve of the fiscal year	-	-	1,703	1,703
B.2 Variation due to pass of time	-	-	-	-
B.3 Variation due to modifies of discount rate	-	-	-	-
B.4 Other variations	-	-	5,590	5,590
- of which business aggregation operations	-	-	-	-
C. Decreases	**-**	**-**	**2,909**	**2,909**
C.1 Use in the exercise	-	-	436	436
C.2 Variations due to modifies of discount rate	-	-	-	-
C.3 Other variations	-	-	2,473	2,473
- of which business aggregation operations	-	-	-	-
D. Final surplus	**-**	**-**	**13,644**	**13,644**

Increases:

- "Allocations for the year" relate to allocations recognised under "Net allocations to provisions for risks and charges" and are detailed as follows:
- charges relating to complaints on the Salary assignment product for EUR 400 thousand;
- charges relating to changes in residual values arising, compared with the original assessment, on leased vehicles not yet repossessed for EUR 984 thousand;

- legal disputes for EUR 219 thousand;
- other estimated refunds to customers for EUR 100 thousand.
- "Other variations" relate to allocations recognised for staff exit incentives under "personnel expenses".

Decreases:

- "Utilisations during the year" mainly relate to:
- payments charged to the provision for charges relating to complaints on the Salary assignment product for EUR 113 thousand;
- payments charged to the provision for restoration costs relating to assets subject to IFRS 16 for EUR 55 thousand;
- releases of the provision for legal disputes for EUR 268 thousand, with a corresponding entry in item 170(b) of the income statement.
- "Other variations" relate to staff exit incentives for which the contractual arrangements have been finalised, transferring the related provision to "other liabilities".

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

The Bank does not report provisions for credit risk relating to commitments and financial guarantees given.

10.4 Provisions on other commitments and other guarantees given

The Bank does not report provisions on other commitments and other guarantees given.

10.5 Defined benefit pension plans

The Bank does not report defined benefit company pension funds.

10.6 Provisions for risks and charges – other provisions

"Other provisions" are split into:

- "Legal disputes": this provision is essentially set up to cover expected outflows relating to legal proceedings with customers; allocations were made on the basis of external legal opinions over an expected time horizon of four years;
- "Personnel expenses": this provision consists of uncertain staff exit incentives, over an expected time horizon of one year;
- "Other" refers to provisions intended to cover:
  - charges relating to the post-Lexitor application on the Salary assignment product, for EUR 7,023 thousand (EUR 7,023 thousand in 2024); for further details, please refer to the consolidated report on operations;
  - charges relating to complaints on the Salary assignment for EUR 1,487 thousand (EUR 1,200 thousand in 2024); for further details, please refer to the Consolidated Report on Operations;
  - charges relating to changes in residual values arising, compared with the original assessment, on leased vehicles not yet repossessed for EUR 984 thousand (not recorded in 2024);
  - restoration costs relating to assets subject to IFRS 16 for EUR 12 thousand (EUR 66 thousand in 2024), over an expected time horizon of one year;
  - other estimated refunds to customers for EUR 412 thousand (EUR 312 thousand in 2024), over an expected time horizon of three years.

Section 11 – Redeemable shares – Item 120

The Bank has no share redemption plans.

Section 12 – Shareholders' equity – Items 110, 130, 140, 150, 160, 170 and 180

12.1 "Share capital" and "Treasury shares": breakdown

The Bank's share capital consists of 573,000 ordinary shares, fully paid up and freed up.

The Bank does not hold treasury shares.

For further information, please refer to paragraph 12.3 below.

12.2 Share capital – Number of shares: annual changes

Items/Types	Ordinaries	Others
A. Shares existing at the start of the fiscal year	**573,000**	**-**
-fully paid-up	573,000	-
- not fully paid-up	-	-
A.1 treasury shares (-)	-	-
A.2 Shares outstanding: Opening balance	**573,000**	**-**
B. Increases	**-**	**-**
B.1 New issues	-	-
- against payment:	-	-
- business combination transaction	-	-
- bonds conversions	-	-
- warrants executions	-	-
- others	-	-
- free:	-	-
- to employees	-	-
- to directors	-	-
- others	-	-
B.2 Sales of treasury shares	-	-
B.3 Other adjustments	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Business sale operations	-	-
C.4 Other adjustments	-	-
D. Shares in circulation: final surplus	**573,000**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares existing at the end of the fiscal year	573,000	-
-fully paid-up	573,000	-
- not fully paid-up	-	-

12.3 Share capital: other information

Share capital amounts to EUR 573,000 thousand and consists of ordinary shares with a par value of EUR 1,000 each.

The share premium reserve amounts to EUR 632 thousand and did not change during the year.

12.4 Profit reserves: other information

Profit reserves mainly comprise:

- legal reserve for EUR 38,215 thousand (EUR 36,772 thousand in 2024);
- extraordinary reserve for EUR 318,261 thousand (EUR 318,261 thousand in 2024);

- capital reserve for EUR 39,913 thousand (EUR 39,913 thousand in 2024).

12.5 Equity instruments: breakdown and annual changes

The Bank does not report equity instruments.

12.6 Other information

The Bank does not report financial instruments redeemable at the holder's option (*puttable financial instruments*).

The paragraph "Proposals to the Shareholders' Meeting" within the report on operations sets out the proposal for the appropriation of the profit for the year.

In the table below, as required by Article 2427 of the Italian Civil Code, paragraph 7-bis, the items of shareholders' equity are shown in detail, indicating their origin, availability and distributability, as well as their use in previous years.

Items	Amount	Permitted uses (*)	Available portion	Summary of use in the three previous fiscal year	
				to cover losses	for other reasons
Share capital	**573,000**			**-**	**-**
Share premium reserve	**633**			**-**	
Reserves	**396,389**			**-**	
Legal reserve	38,215	A(1), B		-	
Extraordinary reserve	318,261	A, B, C	318,261 €	-	
FTA reserve	-			-	
Reserves from incorporation	-			-	
Reserve for changes in previous financial year results	0	(2)		-	
Losses from previous years carried forward	-			-	
Capital reserve	39,913	A, B		-	
Incorporation reserve	-			-	
Other reserve	0			-	
Revaluation reserves	**461**			**-**	
Valuation reserve for cash flow coverage	1,045			**-**	
Revaluation reserves FVOCI	25	(2)		-	
Actuarial gains(losses) on defined benefit plans	(609)	(2)		-	
Net income (loss)	**67,804**			**6,439**	**-**
Total	**1,038,286**			**6,439**	**- €**

(*) A = for capital increase; B = for loss coverage; C = for distribution to shareholders
(1) Can be used for capital increase (A) for the portion exceeding one fifth of share capital
(2) The reserve is non-distributable pursuant to Article 6 of Legislative Decree No. 38/2005

OTHER INFORMATION

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

	Nominal value on financial release obligations and guarantees				Total	Total
	First stage	Second stage	Third stage	Purchased or originated impaired	12/31/2025	12/31/2024
1. Loan commitments given	**301,901**	**40**	**-**	**-**	**301,941**	**189,066**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	200
d) Other financial companies	982	-	-	-	982	353
e) Non-financial companies	216,118	40	-	-	216,158	186,469
f) Families	84,801	-	-	-	84,801	2,043
2. Financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	-	-	-	-	-	-
e) Non-financial companies	-	-	-	-	-	-
f) Families	-	-	-	-	-	-

The item "Loan commitments given" includes the amount of irrevocable commitments relating to factoring transactions and the undrawn amounts on credit lines granted to customers.

2 Other commitments and other guarantees given

	Nominal value	
	Total	Total
	12/31/2025	12/31/2024
Other guarantees given		
of which: impaired	-	-
a) Central banks	-	-
b) Public Administration	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Other commitment		
of which: impaired	-	-
a) Central banks	-	-
b) Public Administration	576	576
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-

The item "Other commitments" includes the amount of commitments to the Single Resolution Fund for the undisbursed portion.

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amounts 12/31/2025	Amounts 12/31/2024
1. Financial assets designated at fair value through profit or loss	-	-
2. Financial assets at fair value through other comprehensive income	-	-
3. Financial assets at amortised cost	3,046,815	2,567,249
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

Assets pledged as collateral for own liabilities include:

- bank deposits;
- the loan portfolio underlying the securitisation transaction referred to in the subsequent Notes to the Financial Statements – Part E.

4. Administration and brokerage on behalf of third parties

The Bank operates in the context of management or intermediation on behalf of third parties.

5. Financial assets subject to offsetting in the financial statements or subject to framework netting or similar arrangements

Instrument type		Gross amount of financial assets (a)	Amount of financial liabilities compensated in balance sheet (b)	Net amount of financial assets reported in balance sheet (c=a-b)	Related amounts not recognised in Balance Sheet		Net amounts (f=c-d-e)	Net amounts
					Financial instruments (d)	Cash collateral received as guarantee (e)	12/31/2025	12/31/2024
1. Derivatives		24,443	-	24,443	-	29,392	(4,949)	31,831
2. Repo's		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**12/31/2025**	**24,443**	**-**	**24,443**	**-**	**29,392**	**(4,949)**	**X**
Total	**12/31/2024**	**39,516**	**-**	**39,516**	**-**	**7,686**	**X**	**31,831**

In line with IFRS 7 requirements, it should be noted that derivative contracts outstanding at the reporting date are mainly derivatives with Banco Santander with positive fair value, subject to an ISDA master agreement, which provides for netting at settlement. Conversely, accounting offsetting is not provided for with derivatives with negative balances of the same type.

The column "Cash collateral received" shows the effect of potential netting of the exposure with the related cash collateral.

6. Financial liabilities subject to offsetting in the financial statements or subject to framework netting or similar arrangements

Instrument type		Gross amount of the financial liabilities (a)	Amount of the financial assets compensed in BS (b)	Net amount of the financial liabilities reportes in BS (c=a-b)	Related amounts not recognised in Balance Sheet		Net amount (f=c-d-e)	Net amount
					Financial instruments (d)	Cash collateral placed as guarantee (e)	12/31/2025	12/31/2024
1. Derivatives		30,979	-	30,979	-	37,252	(6,273)	34,523
2. Repos		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**12/31/2025**	**30,979**	**-**	**30,979**	**-**	**37,252**	**(6,273)**	**X**
Total	**12/31/2024**	**42,858**	**-**	**42,858**	**-**	**8,336**	**X**	**34,523**

In line with IFRS 7 requirements, it should be noted that derivative contracts outstanding at the reporting date are mainly derivatives with Banco Santander with negative fair value, subject to an ISDA master agreement, which provides for netting at settlement. Conversely, accounting offsetting is not provided for with derivatives with positive balances of the same type.

The column "Cash collateral received" shows the effect of potential netting of the exposure with the related cash collateral.

7. Securities lending transactions

The Bank has no securities lending transactions.

8. Disclosure on joint arrangements

The Bank has no joint arrangements.

Part C – Information on the Income Statement

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other operations	Total 12/31/2025	Total 12/31/2024
1. Financial assets at FV with impact to Profit and Loss:	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated to FV	-	-	-	-	-
1.3 Other financial assets mandatorly at fair value	-	-	-	-	-
2. Financial assets at fv with impact on overall profitability	93	-	X	93	4,536
3. Financial assets at amortize cost:	8,571	392,011	-	400,582	376,395
3.1 Credits to banks	-	3,240	X	3,240	4,541
3.2 Credits to clients	8,571	388,771	X	397,342	371,854
4. Hedging derivatives	X	X	17,587	17,587	57,275
5. Other assets	X	X	6,401	6,401	9,952
6. Financial liabilities	X	X	X	-	-
Total	**8,664**	**392,011**	**23,988**	**424,663**	**448,158**
of which: income interests on deteriorated financial assets	-	-	-	-	-
of which: interest income on financial lease	X	10,331	X	10,331	8,907

The item "Other assets" consists of income arising from cash and cash equivalents.

1.2 Interest income and similar income: other information

The Bank has no financial assets denominated in foreign currency.

1.3 Interest expense and similar expense: breakdown

Items/Technical forms	Debts	Securities	Other operations	Total 12/31/2025	Total 12/31/2024
1. Financial liabilities valued at amortized cost	201,791	31,277	X	233,067	290,362
1.1 Due to central banks	-	X	X	-	30,973
1.2 Due to banks	58,783	X	X	58,783	69,346
1.3 Due to customers	143,007	X	X	143,007	156,860
1.4 Debt securities issued	X	31,277	X	31,277	33,183
2. Financial trading liabilities	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	445	445	1
5. Hedging derivatives	X	X	13,629	13,629	305
6. Financial assets	X	X	X	142	119
Total	**201,791**	**31,277**	**14,074**	**247,284**	**290,787**
of which: interest expense on lease payables	301	X	X	301	326

Interest expense arising from the following items:

- "Due to banks" and "Debt securities issued" mainly consist of expenses on the funding provided by companies of the Santander Consumer Finance Group;
- "Due to customers" mainly consist of the cost of funding raised through deposit accounts for EUR 41,808 thousand (EUR 52,056 thousand in 2024) and securitisation transactions for EUR 100,724 thousand (EUR 104,478 thousand in 2024);
- "Other liabilities and provisions" mainly consist of expenses arising from a transaction with the Italian Revenue Agency (Agenzia delle Entrate). For further information, please refer to the Report on Group Operations – Matters of note;
- "Financial assets" consist of expenses arising from government bonds.

1.4 Interest expense and similarcharges: other information

1.4.1 Interest expense on foreign currency financial liabilities

The Bank has no financial liabilities denominated in foreign currency.

1.5 Differentials relating to hedging operations

Items	Totale 12/31/2025	Totale 12/31/2024
A. Positive differentials related to hedging operations:	17,587	57,275
B. Negative differentials related to hedging operations:	(13,629)	(305)
C. Balance (A-B)	**3,958**	**56,970**

Section 2 – Fees and commissions – Items 40 and 50

2.1 Fee and commission income: breakdown

Type of service/Values	Total 12/31/2025	Total 12/31/2024
	-	-
1. Securities placement	-	-
1.1 Under firm assumption and/or on the basis of an irrevocable commitment	-	-
1.2 Without firm commitment	-	-
2. Receipt and transmission of orders and execution for customers	-	-
2.1 Receipt and transmission of orders for one or more financial instruments	-	-
2.2 Execution of orders on behalf of customers	-	-
3. Other fees connected with activities related to financial instruments	-	-
of which: trading on own account	-	-
of which: management of individual portfolios	-	-
b) Corporate Finance	-	-
1. Merger and Acquisition Advice	-	-
2. Treasury services	-	-
3. Other fees associated with corporate finance services	-	-
c) Investment advisory activities	-	-
d) Clearing and settlement	-	-
e) Custody and administration	-	-
1. Custodian bank	-	-
2. Other fees related to custody and administration	-	-
f) Central administrative services for collective portfolio management	-	-
g) Trust business	-	-
h) Payment services	22,461	20,344
1. Current account	-	-
2. Credit cards	12	63
3. Debit and other payment cards	-	-
4. Wire transfers and other payment orders	-	-
5. Other fees related to payment services	22,449	20,282
i) Distribution of third party services	63,399	54,547
1. Collective portfolio management	-	-
2. Insurance products	61,911	53,218
3. Other products	1,487	1,329
of which: individual portfolio management	-	-
j) Structured Finance	-	-
k) Servicing for securitization transactions	-	-
l) Commitments to disburse funds	-	-
m) Financial guarantees given	139	111
of which: credit derivatives	-	-
n) Financing operations	397	598
of which: for factoring transactions	-	-
o) Currency trading	-	-
p) Goods	-	-
q) Other commission income	2,982	2,719
of which: for management activities of multilateral trading systems	-	-
of which: for management activities of organized trading systems	-	-
Total	**89,378**	**78,319**

The item "Other fees and commissions" mainly includes income recognised in relation to compensation for late payment.

2.2 Fee and commission income: distribution channels for products and services

Channels/Values	Total 12/31/2025	Total 12/31/2024
b) at own branches:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. services and products of third parties	-	-
b) out of office offer:	**63,399**	**54,547**
1. portfolio management	-	-
2. securities placement	-	-
3. services and products of third parties	63,399	54,547
c) other distributive channels:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. services and products of third parties	-	-

2.3 Fee and commission expense: breakdown

Services/Amounts typology	Total 12/31/2025	Total 12/31/2024
a) Financial instruments	1,102	1,174
of which: trading of financial instruments	-	-
of which: placement of financial instruments	1,102	1,174
of which: management of individual portfolios	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	32	42
c) Custody and administration	78	68
d) Payment and collection services	2,950	2,643
of which: credit cards, debit cards and other payment cards	401	428
e) Servicing activities for securitization transactions	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	78	79
of which: credit derivatives	-	-
h) Off-site offering of financial instruments, products and services	39,882	31,789
i) Currency trading	-	-
j) Other commission expenses	-	-
Total	**44,122**	**35,795**

The item " Off-site offering of financial instruments, products and services" includes commissions paid for the placement of banking and insurance products and the contributions and indemnities accrued by the agency network.

Section 3 – Dividends and similar revenues – Item 70

Items/Incomes	Total 12/31/2025		Total 12/31/2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily designated at fair value	-	-	-	-
C. Financial assets at fair value through other comprehensive income	-	-	-	-
D. Investments	42,581	-	-	-
Total	**42,581**	**-**	**-**	**-**

This item includes dividends received from the subsidiary Stellantis Financial Services Italia.

Section 4 – Net trading income (loss) – Item 80

4.1 Net trading income (loss): breakdown

Transactions / Income	Capital gain (A)	Income from negotiation (B)	Capital loss (C)	Loss from negotiation (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equity stocks	-	-	-	-	-
1.3 O.I.C.R. shares	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**-**
4. Derivatives	**35,618**	**19,095**	**(36,206)**	**(19,686)**	**(1,180)**
4.1 Financial derivatives:	35,618	19,095	(36,206)	(19,686)	(1,180)
- On debt securities and interest rates	35,618	19,095	(36,206)	(19,686)	(1,180)
- On capital stocks and stock indexes	-	-	-	-	-
- On currency and gold	X	X	X	X	-
- Others	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to fv option	X	X	X	X	-
Total	**35,618**	**19,095**	**(36,206)**	**(19,686)**	**(1,180)**

This item consists of the net result of financial derivatives held for the purpose of hedging the interest rate risk of securitisation transactions, which do not meet the requirements to be classified as hedging derivatives.

Section 5 – Net hedging income (loss) – Item 90

5.1 Net hedging income (loss): breakdown

P&L item/Values	Total 12/31/2025	Total 12/31/2024
A. Income from:		
A.1 Fair value hedging instruments	23,068	1,002
A.2 Financial assets hedged (fair value)	6,294	37,257
A.3 Financial liabilities hedged (fair value)	-	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income in hedge accounting (A)	**29,362**	**38,259**
B. Charges on		
B.1 Fair value hedging instruments	(4,259)	(38,668)
B.2 Financial assets hedged (fair value)	(25,458)	-
B.3 Financial liabilities hedged (fair value)	-	-
B.4 Cash-flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedging activity (B)	**(29,717)**	**(38,668)**
C. C. Net hedging activity (A-B)	**(354)**	**(409)**
of which: net gains (losses) of hedge accounting on net positions	-	-

This item includes the ineffectiveness of macro fair value hedges.

Section 6 – Gains (losses) on disposal/repurchase – Item 100

6.1 Gains (losses) on disposal/repurchase: breakdown

Items / Income	Total 12/31/2025			Total 12/31/2024		
	Gain	Losses	Net profit	Gain	Losses	Net profit
A. Financial assets						
1. Financial assets valued at amortised cost	12,986	-	12,986	14,568	-	14,568
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans to customers	12,986	-	12,986	14,568	-	14,568
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**12,986**	**-**	**12,986**	**14,568**	**-**	**14,568**
B. Financial liabilities valued at amortised cost						
1. Deposits with banks	-	-	-	-	-	-
2. Deposits with customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

The item "Loans to customers" is represented by the balance arising from the disposal, without recourse, to third parties of non-performing loans in *write-off under management*.

Section 7 – Net result of other financial assets and liabilities measured at fair value through profit or loss – Item 110

The Bank has no financial assets or liabilities measured at fair value.

Section 8 – Net impairment losses/recoveries for credit risk – Item 130

8.1 Net impairment losses on credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income	Adjustments (1)						Write - backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	12/31/2025	12/31/2024
			Write-off	Others	Write-off	Others						
A. Credit to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans	-	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**(20,460)**	**(20,999)**	**(40,140)**	**(52,482)**	**-**	**-**	**11,815**	**8,426**	**14,782**	**-**	**(99,059)**	**(83,259)**
- Loans	(20,460)	(20,999)	(40,140)	(52,482)	-	-	11,815	8,426	14,782	-	(99,059)	(83,259)
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(20,460)**	**(20,999)**	**(40,140)**	**(52,482)**	**-**	**-**	**11,815**	**8,426**	**14,782**	**-**	**(99,059)**	**(83,259)**

For further details on the movements, please refer to the Management Report – D1 – Economic performance and to the Notes to the Financial Statements – Part E – Information on risks and related hedging policies.

8.2 Net impairment losses on credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

The Bank has no value adjustments for financial assets measured at *fair value* through other comprehensive income.

Section 9 – Gains/losses from contractual modifications without derecognition – Item 140

The Bank has no gains/losses from contractual modifications without derecognition.

Section 10 – Administrative expenses – Item 160

10.1 Personnel expenses: breakdown

Type of expense/Amounts	Total 12/31/2025	Total 12/31/2024
1) Dependent staffs	**(57,702)**	**(48,054)**
a) wages and salaries	(36,297)	(33,497)
b) social obligation	(9,705)	(8,784)
c) Severance pay	-	(3)
d) Social security costs	-	-
e) reserve to staff severance indemnity	(51)	(77)
f) reserve to retirement fund and similar obligations	-	-
- defined contribution	-	-
- defined benefit	-	-
g) deposit to external complementary welfare funds:	(3,254)	(3,429)
- defined contribution	(3,254)	(3,429)
- defined benefit	-	-
h) Expenses resulting from share based payments	-	-
i) Other employee benefits	(8,393)	(2,264)
2) Other staffs in activity	**(1,166)**	**(942)**
3) Managers and statutory auditors	**(489)**	**(420)**
4) Staffs collocated to retirement	**-**	**-**
5) Recovery of expenses for employees seconded to other companies	**3,478**	**3,740**
6) Refunds of expenses for third party employees seconded to the company	**-**	**-**
Total	**(55,878)**	**(45,675)**

The item "Other employee benefits" increased compared to the previous year as a result of severance incentives granted during the year; for further details, please refer to the Report on Group Operations– Matters of note.

10.2 Average number of employees by category

	12/31/2025	12/31/2024
Employees:		
a) Senior managers	15	12
b) Managers	181	171
of which 3rd and 4th level	*62*	*54*
c) Remaining employees staff	424	443
Total	**620**	**626**
Other personnel	**11**	**8**

10.3 Defined benefit pension funds: costs and revenues

The Bank has no defined benefit pension funds.

10.4 Other employee benefits

	12/31/2025	12/31/2024
Ancillary staff expenses (health insurance, luncheon vouchers and other minor benefits)	2,532	2,082
Incentive plan reserved for managers and middle managers	5,861	183
Cost of allocation of share by the parent company to employees		
Total	**8,393**	**2,264**

10.5 Other administrative expenses: breakdown

Type of service/Amounts	Total 12/31/2025	Total 12/31/2024
IT expenses	**15,918**	**20,172**
Hardware	-	-
Software	14,772	18,516
Outsourcing	522	822
Telephone and data transmission	623	834
Taxes and duties	**13,344**	**13,128**
Professional services	**7,564**	**5,594**
Legal and notary advice	54	153
Outsourcing	4,553	3,543
Other professional services	2,957	1,898
Advertising, marketing and communication	**3,341**	**4,252**
Expenses related to credit risk	**13,897**	**13,692**
Information and certificates	1,252	1,482
Credit recovery	12,645	12,210
Litigation expenses not covered by provisions	**1,269**	**1,356**
Real estate expenses	**771**	**854**
Passive rent	-	-
Other real estate expenses	771	854
Leasing expenses	**6**	**356**
Other admininstrative expenses	**5,916**	**8,972**
Postal and archiving	950	1,521
Other non-professional goods and services	3,085	3,106
Insurance premiums	49	56
Resolution Fund contribution	-	-
FITD contribution	163	2,007
Other expenses	1,668	2,281
Total	**62,027**	**68,377**

The item "IT expenses" decreased due to the absence of non-recurring costs incurred in 2024.

The item "FITD contribution" decreased following a lower contribution request by the consortium.

Section 11 – Net provisions for risks and charges – Item 170

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

	Additions	Uses	Net provision 12/31/2025	Net provision 12/31/2024
Net provision on commitment and financial guaranties	-	4	4	(4)

11.2 Net provisions relating to other commitments and other guarantees given: breakdown

The Bank has no other commitments and guarantees issued.

11.3 Net provisions to other provisions for risks and charges: breakdown

	Additions	Uses	Net provision 12/31/2025	Net provision 12/31/2024
Net personnel expense provision	- €	- €	- €	- €
Net provision for legal disputes	(218)	268	49	62
Other provisions	(1,484)	0	(1,484)	43
Totale	**(1,703)**	**268**	**(1,435)**	**105**

For further details, please refer to the Notes to the Financial Statements – Part B – Section 10 – Provisions for risks and charges.

Section 12 – Net impairment losses/recoveries on property, plant and equipment – Item 180

12.1 Net impairment losses/recovieries to property, plant and equipment: breakdown

Assets/Income statement items	Depriciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, equipment and investment property				
1. For operational use	(2,536)	-	-	(2,536)
- Owned	(943)	-	-	(943)
- Licenses acquired through lease	(1,594)	-	-	(1,594)
2. Held for investment	-	-	-	-
- Owned	-	-	-	-
- Licenses acquired through lease	-	-	-	-
3. Inventories	X	-	-	-
Total	**(2,536)**	**-**	**-**	**(2,536)**

Section 13 – Net impairments losses/ecoveries on intangible assets – Item 190

13.1 Net impairment losses/recoveries on intangible assets: breakdown

Asset/Income	Amortization (a)	Impairment losses (b)	Write-backs (c)	Net profit (a + b - c)
A. Intangible assets				
of which: software	(8,602)	-	-	(8,602)
A.1 Owned	(8,602)	-	-	(8,602)
- Generated internally by the company	-	-	-	-
- Other	(8,602)	-	-	(8,602)
A.2 Licenses acquired through lease	-	-	-	-
Total	**(8,602)**	**-**	**-**	**(8,602)**

Section 14 – Other operating income and expenses – Item 200

14.1 Other operating expenses: breakdown

	Total 12/31/2025	Total 12/31/2024
Amortization on improvements (not separable) on real estates	**377**	**377**
Expenses related to leasing transactions	**693**	**716**
Finance	693	716
Other	**10,763**	**7,765**
Fraud	1,877	1,173
Expenses on claims	7,221	4,704
Other	1,666	1,888
Total	**11,834**	**8,858**

14.2 Other operating income: breakdown

	Total 12/31/2025	Total 12/31/2024
Recovery of expenses	**11,277**	**11,268**
Tax	10,801	10,801
Deposits and Current accounts	208	258
Other	267	209
Rental assets	**15**	**38**
Other	**35,918**	**28,990**
Group entities	14,249	13,297
Finance leases	794	1,172
Other	20,875	14,522
Total	**47,210**	**40,296**

The item "Services rendered to Group companies" includes servicing fees and expense reimbursements charged to companies of the Santander Consumer Bank Italia Group.

The item "Other" mainly includes:

- servicing fees and expense reimbursements from the JV Hyundai Capital Bank Europe – Italian branch, classified under this sub-item as it is not part of the Santander Consumer Bank Italia Group, amounting to EUR 16,013 thousand (EUR 13,709 thousand in 2024);
- a non-recurring insurance reimbursement amounting to EUR 4,004 thousand relating to an event occurred in 2024.

Section 15 – Gains/losses from equity investments – Item 220

The Bank has no gains or losses from equity investments.

Section 16 – Net result from fair value measurement of property, plant and equipment and intangible assets – Item 230

The Bank has no property, plant and equipment and intangible assets measured at fair value.

Section 17 – Impairment of goodwill – Item 240

The Bank has no goodwill.

Section 18 – Gains/losses on disposals of investments – Item 250

18.1 Gains and losses on disposal of investments

Income/Value	Total 12/31/2025	Total 12/31/2024
A. Assets	-	-
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets	(441)	(813)
- Gains on disposal	76	55
- Losses on disposal	(517)	(868)
Net profit	**(441)**	**(813)**

Section 19 – Income taxes for the year from continuing operations – Item 270

19.1 Income taxes for the year from continuing operations: breakdown

Income/Value	Total 12/31/2025	Total 12/31/2024
1. Current tax expense (-)	(14,073)	-
2. Change of current taxes of previous years (+/-)	(2,382)	(576)
3. Reduction in current tax for the period (+)	-	-
3. bis Reductions in current tax expense for the period due tax credit related to L. 214/2011 (+)	35,448	17,363
4. Change of deferred tax assets (+/-)	(33,258)	(19,264)
5. Change of deferred tax liabilities (+/-)	-	164
6. Tax espense for the year (-)	**(14,265)**	**(2,313)**

19.2 Reconciliation between theoretical and effective tax charge

	12/31/2025	12/31/2024
Profit (loss) from continuing operations before tax	82,068	31,179
Profit before tax on discontinuing operations		
Theoretical taxable income	**82,068**	**31,179**
IRES - Theoretical tax charge	(22,569)	(8,574)
- effect of income and expenses that do not contribute to the tax base	285	6,593
- effect of expenses that are wholly or partially non-deductible	10,588	(390)
- variation in taxes from previous financial years	1,645	660
- Other	0	
IRES - Effective tax burden	**(10,051)**	**(1,711)**
IRAP - Theoretical tax charge	(4,571)	(1,737)
- portion of non-deductible administrative expenses, depreciation and amortisation		
- portion of non-deductible interest expense	(647)	(646)
- effect of income and expenses that do not contribute to the tax base	52	1,335
- effect of expenses that are wholly or partially non-deductible	916	10
- variation in taxes from previous financial years	(1,473)	436
- Other	1,509	
IRAP - Effective tax burden	**(4,214)**	**(602)**
Effective tax burden as shown in the financial statements	**(14,265)**	**(2,313)**

The item "effects of income and expenses that change the taxable base" includes the benefits related to the Patent Box regime.

The item "Other" includes the remeasurement of deferred tax assets related to the increase in IRAP; for further information, please refer to the "Report of Group Operations– Matters of note".

Section 20 – Profit (loss) after tax from discontinued operations – Item 290

The Bank reports profit or loss relating to disposal groups held for sale.

Section 21 – Other information

For disclosure on public grants pursuant to Article 1, paragraph 125 of Italian Law no. 124 of 4 August 2017 ("Annual law for the market and competition"), please refer to the Notes to the Consolidated Financial Statements – Part C – Section 24 – Other information.

Section 22 – Earnings per share

22.1 Average number of ordinary shares (fully diluted)

The Bank does not have shares for which IAS 33 is applicable; therefore, the disclosure required by this section is not applicable.

22.2 Other information

There is no further information to be reported in this section.

Part D – Comprehensive income

Statement of comprehensive income

	Items	Totale	
		12/31/2025	12/31/2024
10.	**Net Profit (Loss) for the year**	**67,804**	**28,866**
	Other comprehensive income after tax not to be recycled to income statement		
20.	Equity securities designated at fair value with an impact on total income:	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
30.	Financial liabilities designated at fair value with impact on the income statement (changes in creditworthiness):	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
40.	Hedges of equity securities designated at fair value with an impact on total profitability:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	24	(35)
80.	Non current assets classified as held for sale	-	-
90.	Valuation reserves from investments accounted for using the equity method	-	-
100.	Income taxes relating to other income components without reversal to the income statement	(7)	10
	Other comprehensive income after tax to be recycled to income statement		
110.	Hedge of foreign investments:	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
120.	Exchange differences:	-	-
	a) value change	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
130.	Cash flow hedges:	1,609	-
	a) changes in fair value	1,609	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments:	-	-
	a) value change	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
150.	Financial assets (no equity securities) measured at fair value with an impact on total profitability:	38	88
	a) changes in fair value	38	88
	b) reclassification through profit or loss	-	-
	- adjustments to credit risk	-	-
	- gains / losses from realization	-	-
	c) other changes	-	-
160.	Non current assets classified as held for sale:	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
170.	Valutation reserves from investments accounted for using the equity method;	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	- impairment adjustments	-	-
	- gains / losses from realization	-	-
	c) other changes	-	-
180.	Income taxes relating to other income components with reversal to the income statement	(578)	(29)
190.	**Total of other comprehensive income after tax**	**1,087**	**33**
200.	**Comprehensive income (Items 10+190)**	**68,891**	**28,899**

Part E – Information on risks and related hedging policies

Introduction

Santander Consumer Bank carried out its activities in accordance with principles of prudence and of limiting exposure to risks, in line with the requirements of prudential supervisory regulations.

The Risk Governance Policies represent the reference model for organisational and process development and for the systematic execution of all operational and business activities carried out across all areas and are an integral part of the Risk Management Process.

These notes provide quantitative information.

With regard to qualitative information concerning risk management and monitoring, the Bank's risk organisation and governance, key processes and functions, risk culture (its content and dissemination), the business model and related risks, the tools used to monitor them (Risk Appetite Statement) and risk governance strategies, please refer to what is reported in Part E of the Notes to the Consolidated Financial Statements.

Section 1 – Credit risk

Qualitative information

Credit strategies and policies are linked to the specific nature of the business conducted, in which credit risk, as previously indicated, is the main component to which the Bank is exposed. This risk represents the risk associated with the probability that a counterparty may be unable to meet its contractual obligations, thereby exposing the Company to potential future losses, or that in any event its creditworthiness may deteriorate, which could compromise its future ability to fulfil its obligations.

The assets of Santander Consumer Bank, consistently with what has been observed in previous years, continue overall to be characterised by a very high average number of customers, with medium/low exposure and a limited average residual maturity. The risk therefore manifests itself as highly fragmented and no significant changes are noted.

Quantitative information

A. Credit quality

A.1 Performing and non-performing credit exposures: gross carrying amounts, value adjustments, trends and economic distribution

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amounts)

Portfolios/quality		Non-performing loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other not impaired exposures	Total
1. Financial assets at amortised cost		1,127	28,563	46,114	60,361	7,095,319	7,231,484
2. Financial assets at fair value through other comprehensive income		-	-	-	-	203,465	203,465
3. Financial assets designated to fair value		-	-	-	-	-	-
4. Other financial assets mandatorily at fair value		-	-	-	-	-	-
5. Financial instruments classified as held for sale		-	-	-	-	-	-
Total	**12/31/2025**	**1,127**	**28,563**	**46,114**	**60,361**	**7,298,784**	**7,434,949**
Total	**12/31/2024**	**4,086**	**25,263**	**44,289**	**59,916**	**6,882,175**	**7,015,729**

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

Portfolio/quality		Impaired				Not impaired			Total (net exposition)
		Gross exposure	Overall writedowns of value	Net exposure	Overall partial write-off*	Gross exposure	Overall writedowns of value	Net exposure	
1. Financial assets valued to amortized cost		151,002	(75,198)	75,804	-	7,218,626	(62,946)	7,155,680	**7,231,484**
2. Financial assets valued to fair value with impact on overall profitability		-	-	-	-	203,465	-	203,465	**203,465**
3. Financial assets designated to fair value		-	-	-	-	X	X	-	**-**
4. Other financial assets mandatorily valuated to fair value		-	-	-	-	X	X	-	**-**
5. Financial assets as held for sale		-	-	-	-	-	-	-	**-**
Total	**12/31/2025**	**151,002**	**(75,198)**	**75,804**	**-**	**7,422,091**	**(62,946)**	**7,359,144**	**7,434,949**
Total	**12/31/2024**	**177,164**	**(103,526)**	**73,638**	**-**	**6,996,282**	**(54,191)**	**6,942,091**	**7,015,729**

Portfolio/quality		Assets of obvious poor credit quality		Other assets
		Cumulated losses	Net exposure	Net exposure
1. Financial assets held for trading		-	-	29,831
2. Hedging Derivatives		-	-	11,635
Total	**12/31/2025**	**-**	**-**	**41,466**
Total	**12/31/2024**	**-**	**-**	**48,999**

A.1.3 Breakdown of financial assets by past due buckets (carrying amounts)

Portfolios / stages of risk		First step			Second step			Third step			Purchased or originated impaired		
		From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days
1. Financial assets valued at amortized cost		15,162	2,679	5,313	25,371	9,709	2,127	3,496	4,725	42,932	-	-	-
2. Financial assets valued at fair value with impact on overall profitability		-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-	-	-	-	-	-	-
Total	**12/31/2025**	**15,162**	**2,679**	**5,313**	**25,371**	**9,709**	**2,127**	**3,496**	**4,725**	**42,932**	**-**	**-**	**-**
Total	**12/31/2024**	**15,755**	**2,891**	**4,028**	**27,143**	**8,749**	**1,350**	**3,100**	**3,911**	**42,818**	**-**	**-**	**-**

A.1.4 Financial assets, commitments to disburse funds and guarantees given: changes in total write downs and total provisions

Causal / risk stages	Total value adjustments											
	First stage activities						Second stage activities					
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns
Total opening adjustments	**-**	**30,033**	**-**	**-**	**-**	**30,033**	**-**	**24,158**	**-**	**-**	**-**	**24,158**
Changes in increase from financial assets acquired or originated	-	17,528	-	-	-	17,528	-	-	-	-	-	-
Cancellations other than write-offs	-	(7,025)	-	-	-	(7,025)	-	(1,718)	-	-	-	(1,718)
Net value adjustments / write-backs for credit risk (+/-)	-	(2,678)	-	-	-	(2,678)	-	8,006	-	-	-	8,006
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(104)	-	-	-	(104)	-	(5,254)	-	-	-	(5,254)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**37,755**	**-**	**-**	**-**	**37,755**	**-**	**25,191**	**-**	**-**	**-**	**25,191**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	(5,978)	-	-	-	(5,978)	-	(6,001)	-	-	-	(6,001)

Causal / risk stages	Total write downs											Total provisions on commitments to disburse funds and financial guarantees issued				Tot.
	Activities included in the third stage						Purchased or originated credit-impaired financial assets									
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	First stage	Second stage	Third stage	Commitments to provide funds and financial guarantees issued	
Total opening adjustments	**-**	**103,526**	**-**	**-**	**103,526**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**1**	**-**	**-**	**157,722**
Changes in increase from financial assets acquired or originated	-	-	-	-	-	-	X	X	X	X	X	-	-	-	-	17,528
Cancellations other than write-offs	-	(3,707)	-	-	(35)	(3,673)	-	-	-	-	-	-	-	-	-	(12,451)
Net value adjustments / write-backs for credit risk (+/-)	-	51,600	-	-	38	51,562	-	-	-	-	-	(4)	(1)	-	-	56,925
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(76,221)	-	-	-	(76,221)	-	-	-	-	-	-	-	-	-	(81,580)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**75,198**	**-**	**-**	**103,529**	**(28,332)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**138,144**
Recoveries from financial assets subject to write-off	-	3,088	-	-	-	3,088	-	-	-	-	-	-	-	-	-	3,088
Write-offs recorded directly in the income statement	-	(28,161)	-	-	-	(28,161)	-	-	-	-	-	-	-	-	-	(40,140)

A.1.5 Financial assets, commitments to disburse funds and financial guarantees given: transfers between the different credit risk stages (gross and nominal values)

Portofolios/risk stages		Gross exposure/nominal value					
		Transfers between first stage and second stage		Transfers between second stage to thirth stage		Transfer between first stage and thirth stage	
		From first to second stage	From second stage to first stage	From second to third stage	From thirth to second stage	From first to thirth stage	From thirth to first stage
1. Financial assets valued at amortized cost		102,481	23,436	24,023	5,831	72,267	5,880
2. Financial assets valued at fair value with an impact on overall profitability		-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		-	-	-	-	-	-
Total	**12/31/2025**	**102,481**	**23,436**	**24,023**	**5,831**	**72,267**	**5,880**
Total	**12/31/2024**	**103,959**	**4,791**	**15,000**	**2,944**	**80,000**	**4,380**

A.1.6 On- and off-balance-sheet credit exposures to banks: gross and net values

Type of exposure/amounts	Gross exposures					otal value adjustments and total credit risk provisions						
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	Net Exposure	Total Write-off*
A. On-balance sheet credit exposures												
A.1 On demand	109,729	109,729	-	-	-	-	-	-	-	-	109,729	-
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	109,729	109,729	-	X	-	-	-	-	X	-	109,729	-
A.2 Others	83,709	83,709	-	-	-	-	-	-	-	-	83,709	-
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non performing past due	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	83,709	83,709	-	X	-	-	-	-	X	-	83,709	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total (A)	**193,438**	**193,438**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**193,438**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	-	-	-	X	-	-	-	-	X	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**193,438**	**193,438**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**193,438**	**-**

A.1.7 On-balance sheet and off-balance sheet credit exposures to customers: gross and net amounts

Type of exposure/Amounts	Gross exposures					otal value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
a) Bad exposures	4,174	X	-	4,174	-	3,047	X	-	3,047	-	1,127	-
- of which: forborne exposures	351	X	-	351	-	272	X	-	272	-	80	-
b) Unlikely to pay	41,410	X	-	41,410	-	12,847	X	-	12,847	-	28,563	-
- of which: forborne exposures	14,028	X	-	14,028	-	7,991	X	-	7,991	-	6,037	-
c) Non performing past due	105,418	X	-	105,418	-	59,304	X	-	59,304	-	46,114	-
- of which: forborne exposures	11,116	X	-	11,116	-	6,762	X	-	6,762	-	4,354	-
d) Performing past due exposures	80,511	24,007	56,504	X	-	20,150	854	19,297	X	-	60,361	-
- of which: forborne exposures	3,966	-	3,966	X	-	1,047	-	1,047	X	-	2,920	-
e) Other performing exposures	7,257,870	7,177,706	80,164	X	-	42,796	36,902	5,894	X	-	7,215,074	-
- of which: forborne exposures	24,692	-	24,692	X	-	3,317	-	3,317	X	-	21,375	-
Total (A)	**7,489,383**	**7,201,713**	**136,668**	**151,002**	**-**	**138,144**	**37,755**	**25,191**	**75,198**	**-**	**7,351,239**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	302,517	302,477	40	X	-	-	-	-	X	-	302,517	-
Total (B)	**302,517**	**302,477**	**40**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**302,517**	**-**
Total (A+B)	**7,791,900**	**7,504,191**	**136,708**	**151,002**	**-**	**138,144**	**37,755**	**25,191**	**75,198**	**-**	**7,653,756**	**-**

A.1.8 Cash credit exposures to banks: movement in gross non-performing exposures

The Bank does not have any exposures to banks that are subject to impairment.

A.1.8bis Cash credit exposures to banks: dynamics of gross forborne exposures by credit quality

The Bank did not record any forborne exposures to banks.

A.1.9 Cash credit exposures to customers: dynamics of gross non-performing loans

Description/Category	Bad Exposures	Unlikely to pay	Past due impaired exposures
A. Opening balance (gross amount)	**25,731**	**37,624**	**113,809**
- of which sold non-cancelled exposures	3,972	8,046	28,197
B. Increases	**4,197**	**35,654**	**106,926**
B.1 transfers from performing loans	3,012	24,257	84,426
B.2 entry from impaired financial assets acquired or originated	-	-	-
B.3 transfers from other impaired exposures	1,126	8,543	5,803
B.4 contractual changes without cancellations	-	-	-
B.5 other increases	59	2,854	16,697
C. Decreases	**25,753**	**31,868**	**115,317**
C.1 transfers to perfomorming loans	-	9,487	2,223
C.2 write-offs	24,685	1,731	76,843
C.3 recoveries	693	11,496	19,776
C.4 sales proceeds	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other impaired exposures	-	6,111	9,361
C.7 contractual changes without cancellations	-	-	-
C.8 other decreases	375	3,042	7,113
D. Closing balance (gross amounts)	**4,174**	**41,410**	**105,418**
- Sold but not derecognised	945	5,772	27,339

A.1.9bis Cash credit exposures to customers: dynamics of gross forborne exposures by credit quality

Description/Quality	Forborne exposures impaired	Forborne exposures not impaired
A. Opening balance (gross amount)	**27,600**	**20,294**
- Sold but not derecognised	7,198	6,445
B. Increases	**20,112**	**25,425**
B.1 Transfers from performing not forborne exposures	9,469	17,304
B.2. Transfers from performing forborne exposures	3,808	X
B.3. Transfers from impaired forborne exposures	X	5,564
B.4 Transfers from impaired not forborne exposure	6,835	2,556
B.5 other increases	-	-
C. Decreases	**22,217**	**17,060**
C.1 Transfers to performing not forborne exposures	X	3,779
C.2 Transfers to performing forborne exposures	5,564	X
C.3 transfers to impaired exposures not forborne	X	3,808
C.4 write-offs	11,690	413
C.5 recoveries	4,556	8,671
C.6 sales proceeds	-	-
C.7 losses on disposals	-	-
C.8 other decreases	407	390
D. Closing balance (gross amounts)	**25,495**	**28,658**
- Sold but not derecognised	4,876	8,493

A.1.10 Cash non-performing credit exposures to banks: dynamics of total write downs

Exposures to banks were not subject to write downs

A.1.11 Cash non-performing credit exposures to customers: dynamics of total write downs

Description/Category	Bad Exposures		Unlikely to pay		Impaired Past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance overall amount of writedowns	**21,644**	**1,477**	**12,361**	**7,427**	**69,521**	**9,375**
- Sold but not derecognised	3,279	133	3,841	2,582	18,026	1,719
B. Increases	**6,713**	**495**	**12,689**	**6,952**	**77,182**	**8,067**
B.1 impairment losses on acquired or originated assets	-	X	-	X	-	X
B. 2 other value adjustments	6,155	380	9,231	6,301	74,635	6,141
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfer from other impaired exposure	546	104	3,298	496	2,546	1,926
B. 5 contractual changes without cancellations	-	-	-	-	-	-
B.6 other increases	12	11	160	155	-	-
C. Reductions	**25,311**	**1,700**	**12,203**	**6,388**	**87,398**	**10,681**
C.1 write-backs from assessments	161	8	5,852	3,483	3,322	346
C.2 write-backs from recoveries	58	1	874	193	1,566	132
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	25,052	1,692	2,591	690	78,183	9,674
C.5 transfers to other impaired exposures	-	-	2,686	2,005	3,705	521
C. 6 contractual changes without cancellations	-	-	-	-	-	-
C.7 other decreases	41	-	201	16	621	9
D. Closing overall amount of writedowns	**3,047**	**272**	**12,847**	**7,991**	**59,304**	**6,762**
- Sold but not derecognised	697	55	2,575	1,531	15,945	1,040

A.2 Classification of financial assets, loan commitments and financial guarantees given based on external and internal ratings

The risk classes by external ratings shown in this table refer to the credit quality steps of counterparties/guarantors under prudential regulation. The Group applies the standardised approach in accordance with the risk mapping provided by the rating agency S&P Global Ratings for exposures to corporates and by Fitch Ratings for exposures to central governments, central banks and supervised intermediaries.

A.2.1 Distribution of financial assets, loan commitments and financial guarantees given: by external rating classes (gross amounts)

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets valued at amortized cost	**36**	**-**	**1,099**	**-**	**-**	**-**	**7,368,493**	**7,369,628**
- First stage	36	-	1,099	-	-	-	7,080,823	7,081,958
- Second stage	-	-	-	-	-	-	136,668	136,668
- Third stage	-	-	-	-	-	-	151,002	151,002
- Purchased or originated impaired	-	-	-	-	-	-	-	-
B. Financial assets valued at fair value with impact on overall profitability	**-**	**-**	**-**	**-**	**-**	**-**	**203,465**	**203,465**
- First stage	-	-	-	-	-	-	203,465	203,465
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**36**	**-**	**1,099**	**-**	**-**	**-**	**7,571,957**	**7,573,093**
D. Commitments and financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**	**301,941**	**301,941**
- First stage	-	-	-	-	-	-	301,901	301,901
- Second stage	-	-	-	-	-	-	40	40
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**301,941**	**301,941**
Total (A+B+C+D)	**36**	**-**	**1,099**	**-**	**-**	**-**	**7,873,898**	**7,875,034**

The relevant ECAI mapping tables between ratings and credit quality steps for the respective maturities are provided below:

Credit rating	Long-term ECAI	
	Fitch Ratings	S&P Global Ratings
	Central Administrations and central banks	Company and other entities
1	from AAA to AA-	from AAA to AA-
2	from A+ to A-	from A+ to A-
3	from BBB+ to BBB-	from BBB+ to BBB-
4	from BB+ to BB-	from BB+ to BB-
5	from B+ to B-	from B+ to B-
6	CCC+ and lower	CCC+ and lower

Credit rating	Short-term ECAI	
	Fitch Ratings	S&P Global Ratings
	Central Administrations and central banks	Company and other entities
1	N/a	A-1+, A-1
2	N/a	A-2
3	N/a	A-3
from 4 to 6	N/a	lower A-3

A.2.2 Distribution of financial assets, commitments to disburse funds and financial guarantees issued: by internal rating classes (gross amounts)

This table is not prepared as internal ratings are currently not used in the calculation of capital requirements as part of credit risk management.

A.3 Distribution of guaranteed credit exposures by type of collateral

A.3.1 On- and off-balance sheet credit exposures to banks – secured

The Bank does not hold secured credit exposures to banks.

A.3.2 On- and off-balance sheet credit exposures to customers – secured

	Gross exposure	Net exposures	Collaterals (1)				Guarantees (2)	
							Credit derivatives	
								Other derivatives
			Property, Mortgages	Property - Lease loans	Securities	Other assets	CLN	Central counterparties
1. Guaranteed cash loans:	**237,887**	**234,129**	**-**	**-**	**-**	**180,799**	**-**	**-**
1.1 totally secured	203,057	199,703	-	-	-	161,180	-	-
- of which: impaired	4,152	1,886	-	-	-	1,568	-	-
1.2 partially secured	34,830	34,426	-	-	-	19,620	-	-
- of which: impaired	478	188	-	-	-	188	-	-
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

	Guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	public administrations	Banks	Other financial companies	Other entities	
1. Guaranteed cash loans:	**-**	**-**	**-**	**-**	**195**	**-**	**41,462**	**222,456**
1.1 totally secured	-	-	-	-	-	-	38,524	199,703
- of which: impaired	-	-	-	-	-	-	318	1,886
1.2 partially secured	-	-	-	-	195	-	2,938	22,753
- of which: impaired	-	-	-	-	-	-	-	188
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

A.4 Financial and non-financial assets obtained through the enforcement of collateral received

The Bank does not recognise financial assets obtained through the enforcement of collateral.

B. Distribution and concentration of credit exposures

B.1 Sectoral distribution of on- and off-balance sheet credit exposures to customers

Exposures/Counterparts	Public administration		Financial companies		Financial companies(of which: insurance companies)		Non-financial companies		Families	
	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures										
A.1 Bad Exposures	-	-	-	-	-	-	339	979	788	2,067
- of wich: forborne exposures	-	-	-	-	-	-	27	80	53	192
A.2 Unlikely to pay	1,390	70	25	26	1	-	1,396	736	25,752	12,015
- of wich: forborne exposures	-	-	10	13	-	-	101	100	5,926	7,877
A.3 Impaired past due exposures	1,641	297	65	66	3	-	4,665	4,562	39,743	54,379
- of wich: forborne exposures	-	-	-	-	-	-	89	126	4,265	6,636
A.4 Not impaired exposures	407,705	1	31,985	39	1	-	839,982	2,853	5,995,763	60,054
- of wich: forborne exposures	-	-	15	1	-	-	360	41	23,921	4,321
Total (A)	**410,735**	**368**	**32,075**	**131**	**5**	**-**	**846,382**	**9,131**	**6,062,047**	**128,515**
B. Off-balance sheet credit exposures										
B.1 Deteriorated exposures	-	-	-	-	-	-	-	-	-	-
B.2 Non-deteriored exposures	576	-	982	-	-	-	216,158	-	84,801	-
Total (B)	**576**	**-**	**982**	**-**	**-**	**-**	**216,158**	**-**	**84,801**	**-**
Total (A+B) 46022	**411,312**	**368**	**33,057**	**131**	**5**	**-**	**1,062,540**	**9,131**	**6,146,848**	**128,515**
Total (A+B) 45657	**306,509**	**511**	**35,350**	**164**	**5**	**-**	**893,447**	**9,359**	**5,898,869**	**147,688**

B.2 Geographical distribution of on- and off-balance sheet credit exposures to customers

Exposures / Geographic area		North West Italy		North East Italy		Italian Centre		South Italy and Islands	
		Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures									
A.1 Bad Exposures		324	999	85	240	209	548	509	1,259
A.2 Unlikely to pay		6,184	3,858	2,788	1,767	4,595	2,470	14,997	4,752
A.3 Impaired past due exposures		12,181	16,123	6,073	8,218	9,479	12,307	18,378	22,646
A.4 Not impaired exposures		1,936,334	17,770	1,290,454	10,041	1,837,580	13,667	2,211,002	21,462
Total (A)		**1,955,022**	**38,749**	**1,299,400**	**20,267**	**1,851,862**	**28,992**	**2,244,886**	**50,119**
B. Off-balance sheet credit exposures									
B. 1 Non-performing exposures		-	-	-	-	-	-	-	-
B. 2 Performing exposures		36,776	-	33,150	-	98,017	-	40,124	-
Total (B)		**36,776**	**-**	**33,150**	**-**	**98,017**	**-**	**40,124**	**-**
Total (A+B)	**12/31/2025**	**1,991,798**	**38,749**	**1,332,549**	**20,267**	**1,949,879**	**28,992**	**2,285,010**	**50,119**
Total (A+B)	**12/31/2024**	**2,151,618**	**43,938**	**1,171,752**	**22,282**	**1,686,165**	**30,722**	**2,124,568**	**60,760**

B.3 Geographical distribution of on- and off-balance sheet credit exposures to banks

Exposures / Geographical Area		Italy		Other european countries		United States		Asia		Rest of the world	
		Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs
A. Balance sheet credit exposures											
A.1 Bad Exposures		-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay		-	-	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures		-	-	-	-	-	-	-	-	-	-
A.4 Not impaired exposures		180,814	-	12,624	-	-	-	-	-	-	-
Total (A)		**180,814**	**-**	**12,624**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures											
B.1 Deteriored exposures		-	-	-	-	-	-	-	-	-	-
B.2 Non-deteriored exposures		-	-	-	-	-	-	-	-	-	-
Total (B)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**12/31/2025**	**180,814**	**-**	**12,624**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**12/31/2024**	**197,928**	**-**	**669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B.4 Large exposures

	12/31/2025
Number	3
Weighted value	786,528
Book value	1,565,979

As at the reporting date, the following four counterparties are classified as large exposures:

- Banco Santander S.A.;
- Ministry of Economy and Finance (MEF);
- Bank of Italy.

C. Securitisation transactions

Qualitative information

Strategy and characteristics of securitisation transactions

The Bank carries out securitisation transactions in order to broaden the diversification of funding while optimising its cost.

In this context, the roles typically performed are as follows:

- Santander Consumer Bank: Originator, Seller and Servicer;
- Golden Bar (Securitisation) S.r.l.: Issuer.

Transactions may provide for a *revolving* structure where the option to transfer additional portfolios after the initial transfer is envisaged, or an *amortising* structure where such option is not contractually provided. Consequently, collections arising from the securitised receivables are used to finance the purchase of additional receivables during the *revolving* period or to redeem the notes during the *amortising* period.

Senior classes typically have a dual rating in order to be eligible for Central Bank operations.

Securitisation transactions

In addition to the outstanding transactions, in 2025 two securitisation transactions were completed with the placement of notes with third-party investors.

Golden Bar 2025-1

The Golden Bar 2025-1 transaction, with a value of EUR 1,315 million and a legal maturity in 2044, was completed through the transfer at par of a portfolio of performing receivables consisting of auto loans and personal loans originated by Santander Consumer Bank to the special purpose vehicle Golden Bar (Securitisation) S.r.l.

This securitisation, which provides for a 6-month revolving period, was structured in compliance with the requirements for STS (Simple, Transparent and Standardised) securitisations.

The purchase of receivables by the special purpose vehicle was funded through the issuance of eight classes of notes, summarised below:

- Senior class A1 notes for EUR 664 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these notes have also obtained eligibility with the ECB;
- Senior class A2 notes for EUR 415 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these notes have also obtained eligibility with the ECB;
- Mezzanine class B notes for EUR 91 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class C notes for EUR 78 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class D notes for EUR 39 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class E notes for EUR 13 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class F notes for EUR 13 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Junior class Z notes for EUR 2 million, unrated and fully subscribed by the Originator.
- The interest rate on the Senior notes was set at three-month Euribor plus a spread of 75 bps (with a coupon *floor* of zero).

As part of the transaction, the special purpose vehicle entered into an Interest Rate Swap to hedge the interest rate risk of the Senior classes and of classes B, C, D and E.

By selling the A1-F notes to third parties, the Bank was able to obtain SRT (Significant Risk Transfer) for the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of the portfolio risk, the Bank assessed that accounting derecognition was not achieved and, therefore, the assets are retained on the Originator's balance sheet.

In particular, the SRT must be continuously monitored throughout the life of the transaction in order to verify that the criteria set out in the applicable regulations are met, including the ongoing maintenance of a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure completed by the Bank, the risk retention requirement is satisfied by the originator through the retention of randomly selected exposures equal to a percentage of not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, pursuant to Article 6(3)(c) of EU Regulation 2402/2017 (Random selection).

Golden Bar 2025-2

The Golden Bar 2025-2 transaction, with a value of EUR 506.4 million and a legal maturity in 2044, was completed through the transfer at par of a portfolio of *performing* receivables consisting of auto loans and personal loans originated by Santander Consumer Bank to the special purpose vehicle Golden Bar (Securitisation) S.r.l.

This securitisation, which provides for a 3-month revolving period, was structured in compliance with the requirements for STS (Simple, Transparent and Standardised) securitisations.

The purchase of receivables by the special purpose vehicle was funded through the issuance of seven classes of notes, summarised below:

- Senior class A notes for EUR 415 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these notes have also obtained eligibility with the ECB;
- Mezzanine class B notes for EUR 35 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class C notes for EUR 30 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class D notes for EUR 15 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class E notes for EUR 5 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Mezzanine class F notes for EUR 5 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Junior class Z notes for EUR 1.4 million, unrated and fully subscribed by the Originator.

The interest rate on the Senior notes was set at three-month Euribor plus a spread of 67 bps (with a coupon *floor* of zero).

As part of the transaction, the special purpose vehicle entered into an *Interest Rate Swap* to hedge the interest rate risk of the Senior class and of classes B, C, D and E.

By selling the A-F notes to third parties, the Bank was able to obtain SRT (Significant Risk Transfer) for the securitised portfolio, benefiting from RWA savings. It should be noted, however, that despite the transfer of the portfolio risk, the Bank assessed that accounting derecognition was not achieved and, therefore, the assets are retained on the Originator's balance sheet.

In particular, the SRT must be continuously monitored throughout the life of the transaction in order to verify that the criteria set out in the applicable regulations are met, including the ongoing maintenance of a material net economic interest (risk retention) in the securitisation of not less than 5%. In the structure completed by the Bank, the risk retention requirement is satisfied by the originator through the retention of randomly selected exposures equal to a percentage of not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, pursuant to Article 6(3)(c) of EU Regulation 2402/2017 (Random selection).

<u>Transactions closed during the year</u>

During 2025, the Golden Bar 2023-1 transaction was redeemed through the repurchase of the portfolio by the Originator Company.

<u>Transactions outstanding as at the reporting date</u>

With reference to the financial assets subject to securitisation, at the end of the 2025 financial year, as a result of the above, the Bank has five *performing* transactions outstanding (Golden Bar 2021-1, Golden Bar 2023-2, Golden Bar 2024-1, Golden Bar 2025-1 and Golden Bar 2025-2).

	Assets held by the SPE	Senior and Mezzanine Securities subscribed	Junior Securities subscribed	Cash Reserve	Assets held by the Group	Type of collateral	Distribution of collateral by geographical area	Average maturity of the collateral	Rating of the collateral
Golden Bar 2021-1	96,237	99,583	100	5,000		n.a.	n.a.	n.a.	n.a.
Golden Bar 2023-2	590,841	609,473	1	14,015		n.a.	n.a.	n.a.	n.a.
Golden Bar 2024-1	595,633	610,735	1	10,011	7,147,775	n.a.	n.a.	n.a.	n.a.
Golden Bar 2025-1	1,265,180	1,300,000	-	13,014		n.a.	n.a.	n.a.	n.a.
Golden Bar 2025-2	487,205	501,278	1,278	5,005		n.a.	n.a.	n.a.	n.a.

Consequently, in accordance with international accounting standards, these securitised portfolios were not derecognised, as the derecognition requirements were not met.

In order to provide greater clarity, the *excess spread* accrued in relation to the outstanding transactions is analysed below into the various components that generated it.

Breakdown of the excess spread accrued during the year	Golden Bar 2021-1	Golden Bar 2023-1	Golden Bar 2023-2	Golden Bar 2024-1	Golden Bar 2025-1
Interest expense on securities issued	(4,222)	(10,539)	(34,492)	(29,126)	(19,790)
Commisions and fees for the operation	(314)	(634)	(1,159)	(1,098)	(974)
- for servicing	(273)	(615)	(1,123)	(1,065)	(926)
- for other services	(41)	(19)	(36)	(33)	(48)
Other charges	(7,741)	(21,758)	(14,460)	(10,546)	(19,498)
Interest generated by the securitised assets	8,246	33,820	57,781	65,408	67,678
Other revenues	9,327	28,651	7,488	5,007	2,657
Total	**5,296**	**29,540**	**15,158**	**29,645**	**30,073**

Quantitative information

C.1 Exposures arising from the main "proprietary" securitisation transactions broken down by type of securitised assets and by type of exposure

The Bank has not entered into "own" securitisation transactions.

C.2 Exposures arising from the main third-party securitisation transactions broken down by type of securitised assets and by type of exposure

The Bank has not entered into third-party securitisation transactions.

C.3 Special purpose vehicles (SPVs) for securitisation

Securitization name – Company name	Head office	Consolidation	Assets			Liabilities		
			Credit	Debt securities	Other	Senior	Mezzanine	Junior
Golden Bar 2021-1	Turin	NO	96,237		23,458	89,924	9,660	100
Golden Bar 2023-2	Turin	NO	590,841		46,717	505,863	103,610	1
Golden Bar 2024-1	Turin	NO	595,633		36,191	500,803	109,932	1
Golden Bar 2025-1	Turin	NO	1,265,180		60,395	1,079,000	221,000	0
Golden Bar 2025-2	Turin	NO	487,205		21,874	415,000	86,278	1,400

C.4 Non-consolidated Special purpose vehicles (SPVs) for securitisation

The information provided in this section should not be provided by banks that prepare consolidated financial statements.

C.5 Servicer activity – own securitisations: collections of securitised loans and repayments of notes issued by securitisation special purpose vehicles

The Bank does not act as *servicer* on securitisation transactions involving transferred assets derecognised from the balance sheet.

D. Disclosure on structured entities not consolidated for accounting purposes (other than securitisation special purpose vehicles)

The Bank does not hold positions in structured entities not consolidated for accounting purposes.

E. Transfer transactions

A. Financial assets transferred and not derecognised

Qualitative information

With regard to the description of the operating rules of tables E.1, E.2 and E.3, please refer to the notes at the bottom of the tables themselves.

Quantitative information

E.1 Financial assets transferred and fully recognised, and associated financial liabilities: carrying amounts

	Financial assets sold as a whole				Associated financial liabilities		
	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement	of which Non-performing	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**3,035,096**	**3,035,096**	**-**	**14,838**	**3,120,501**	**3,120,501**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	3,035,096	3,035,096	-	14,838	3,120,501	3,120,501	-
Total 12/31/2025	**3,035,096**	**3,035,096**	**-**	**14,838**	**3,120,501**	**3,120,501**	**-**
Total 12/31/2024	**2,719,299**	**2,719,299**	**-**	**15,068**	**2,648,455**	**2,648,455**	**-**

Financial assets measured at amortised cost pertain to securitisation transactions with notes subscribed by third-party investors with derecognition for prudential purposes only (Golden Bar 2021-1, Golden Bar 2023-2, Golden Bar 2024-1, Golden Bar 2025-1, Golden Bar 2025-2).

E.2 Financial assets transferred and partially recognised, and associated financial liabilities: carrying amounts

This case does not apply to the Bank.

E.3 Transfer transactions with liabilities having recourse exclusively to the transferred assets and not fully derecognised: fair value

	Fully booked	Partially booked	Total	
			12/31/2025	12/31/2024
A. Financial assets held for trading	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. Other financial assets that are duly measured at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. Financial assets measured at fair value with an impact on overall profitability	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
E. Financial assets measured at amortized cost (fair value)	**2,934,704**	**-**	**2,934,704**	**2,617,535**
1. Debt securities	-	-	-	-
2. Loans	2,934,704	-	2,934,704	2,617,535
Total financial assets	**2,934,704**	**-**	**2,934,704**	**2,617,535**
Total associated financial liabilities	**3,145,353**	**-**	**X**	**X**
Valore netto 31/12/2025	**(210,649)**	**-**	**(210,649)**	**X**
Valore netto 31/12/2024	**(26,374)**	**-**	**X**	**(26,374)**

B. Financial assets transferred and fully derecognised with recognition of continuing involvement

This section is not applicable to transfers carried out by the Bank during the year.

C. Financial assets transferred and fully derecognised

The Bank did not carry out full transfer transactions.

D. Covered bond transactions

The Bank did not carry out *covered bond* transactions.

F. Models for measuring credit risk

On a monthly basis, the amount of the balance at risk by product is monitored for positions with more than ninety days past due (positions in default). The procedure and related controls were carried out regularly.

For further details on the methodologies used, please refer to section 2E Prudential consolidation - Models for measuring credit risk of the consolidated financial statements.

Section 2 - Market risks

2.1 Interest rate risk and price risk – trading portfolio reported for supervisory purposes

The Bank does not hold a supervisory trading book.

2.2 Interest rate risk and price risk – banking book

Qualitative information

Qualitative information on the measurement of the financial risks generated by the Bank is set out in Part E of the Notes to the Consolidated Financial Statements.

Quantitative information

1. Banking book: distribution by residual maturity (repricing date) of financial assets and liabilities

This table is not prepared because the following paragraph provides an interest rate risk sensitivity analysis based on internal models and such analysis covers the entire banking book.

2. Banking book: internal models and other methodologies for sensitivity analysis

The measurement and quantification of financial risks, with particular reference to interest rate risk, is performed by analysing specific summary indicators described below. These indicators are calculated monthly and involve both calculating an actual figure based on month-end reporting and estimating a forward-looking figure for the subsequent reference period. Santander Consumer Bank's Risk Control function is responsible for preparing and maintaining adequate, consistent and timely reporting for the monitoring of interest rate risk, formalised through specific indicators.

Sensitivity indicator "Market Value of Equity" (MVE)

This metric aims to quantify interest rate risk sensitivity in order to enable its monitoring; in particular, it quantifies the effect of a change in the interest rate yield curve, under different scenarios, on equity. With the implementation of the corporate *tool*, in addition to the standard management scenarios of +/-100 bps parallel shocks to the curve, all scenarios required by the EBA have been implemented. The following paragraph presents the results obtained by applying the +/-100 basis points scenario (parallel and immediate shock), which underpins the monthly analysis and interest rate risk decisions. Interest rate risk is therefore measured by assessing the change in the value of interest rate-sensitive financial assets and liabilities, including derivative instruments (*Interest Rate Swap*), as rates change; *Market Value of Equity* sensitivity is calculated as the difference between the present value of all future cash flows discounted using market yield curves and the present value of all future cash flows discounted using stressed yield curves.

As at 31 December 2025, the MVE sensitivity calculated using parallel and immediate shifts of +/-100 basis points is shown in the table below. The indicator remained within the thresholds approved by the Board of Directors.

Sensitivity indicator "Net Interest Margin" (NIM)

This indicator aims to quantify and monitor interest rate risk sensitivity; in particular, it quantifies the effect of a parallel and symmetric *shift* in the interest rate curve, under different scenarios, on net interest margin (analysis horizon: 12 months). With regard to the interest rate shift scenarios, please refer to the previous paragraph.

As at 31 December 2025, the NIM sensitivity calculated using parallel and immediate shifts of +/-100 basis points is shown in the table below. The indicator remained within the thresholds approved by the Board of Directors.

+100 bps MM	MVE	NIM
Sensitivity	-20,66	-6,08
Limite	55	20,7

-100 bps MM	MVE	NIM
Sensitivity	21,32	4,6
Limite	55	20,7

2.3 Foreign exchange risk

The Bank is not exposed to foreign exchange risk.

Section 3 – Derivatives and hedging policies

3.1 Derivatives held for trading

A. Financial derivatives

A.1 Financial derivatives held for trading: period-end notional amounts

Underlying assets / Type of derivatives	Totale 31/12/2025				Totale 31/12/2024			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	-	6,567,154	-	-	-	5,417,526	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	6,567,154	-	-	-	5,417,526	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**6,567,154**	**-**	**-**	**-**	**5,417,526**	**-**

A.2 Financial derivatives held for trading: gross positive and negative fair value – breakdown by product

Types of derivatives	Total 12/31/2025				Total 12/31/2024			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With clearing arrangements	Without clearing arrangements			With clearing arrangements	Without clearing arrangements	
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	29,831	-	-	-	40,171	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**29,831**	**-**	**-**	**-**	**40,171**	**-**
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	31,532	-	-	-	41,280	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**31,532**	**-**	**-**	**-**	**41,280**	**-**

A.3 OTC financial derivatives held for trading: notional amounts, gross positive and negative fair value by counterparty

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	6,567,154	-	-
- positive fair value	X	29,831	-	-
- negative fair value	X	31,532	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equities and stock indexes	-			
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold	-			
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities	-			
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual maturity of OTC financial derivatives held for trading: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		1,797,770	4,212,457	556,928	6,567,154
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivatives on currencies and gold		-	-	-	-
A.4 Financial derivatives on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**12/31/2025**	**1,797,770**	**4,212,457**	**556,928**	**6,567,154**
Total	**12/31/2024**	**2,045,386**	**3,065,850**	**306,291**	**5,417,526**

B. Credit derivatives

The Bank has no credit derivatives outstanding at the reporting date.

3.2 Accounting hedges

Qualitative information

Qualitative information on the measurement of accounting hedges by the Bank is set out in Part E of the Notes to the Consolidated Financial Statements.

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: notional amounts at end of period

Underlying assets / Type of derivatives	Total 31/12/2025				Total 31/12/2024			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	-	5,094,856	-	-	-	3,528,952	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	5,094,856	-	-	-	3,528,952	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Goods	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**5,094,856**	**-**	**-**	**-**	**3,528,952**	**-**

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

Types of derivatives	Positive and negative fair value								Changes in value used to calculate hedge ineffectiveness	
	Total 12/31/2025				Total 12/31/2024				Total	Total
	Over the counter				Over the counter				12/31/2025	12/31/2024
		Without central counterparties				Without central counterparties				
	Central Counterparts	With clearing arrangements	Without clearing arrangements	Organized markets	Central Counterparts	With clearing arrangements	Without clearing arrangements	Organized markets		
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	11,635	-	-	-	8,827	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**11,635**	**-**	**-**	**-**	**8,827**	**-**	**-**	**-**
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	17,586	-	-	-	32,592	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**17,586**	**-**	**-**	**-**	**32,592**	**-**	**-**	**-**

A.3 OTC hedging financial derivatives: notional amounts, positive and negative fair value by counterparty

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	5,094,856	-	-
- positive fair value	X	11,635	-	-
- negative fair value	X	17,586	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual maturity of OTC hedging financial derivatives: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		1,826,299	3,067,653	200,904	5,094,856
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivative contracts on currency and gold		-	-	-	-
A.3 Financial derivative on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**12/31/2025**	**1,826,299**	**3,067,653**	**200,904**	**5,094,856**
Total	**12/31/2024**	**1,247,604**	**2,088,630**	**192,718**	**3,528,952**

B. Hedging credit derivatives

The Bank has no hedging credit derivatives outstanding at the reporting date.

C. Non-derivative hedging instruments

The Bank has no non-derivative hedging instruments outstanding at the reporting date.

D. Hedged items

D.1 Fair value hedges

The Bank has not applied the new accounting rules set out for hedge accounting under IFRS 9.

D.2 Cash flow hedges foreign investment hedges

		Change in value used to detect hedging ineffectiveness	Hedging reserves	Cessation of hedging: residual value of hedging reserves
A. Coverage of Financial flows				
1. Assets		-	-	-
1.1 Debt securities and interest rate		-	-	-
1.2 Equity securities and stock price indices		-	-	-
1.3 Currencies and gold		-	-	-
1.4 Credits		-	-	-
1.5 Other		-	-	-
2. Liabilities		-	1,045	-
1.1 Debt securities and interest rate		-	1,045	-
1.2 Currencies and gold		-	-	-
1.3 Other		-	-	-
Total (A)	**12/31/2025**	**-**	**-**	**-**
Total (A)	**12/31/2024**	**-**	**-**	**-**
B. Coverage Foreign Investments		**X**	**-**	**-**
Total (A+B)	**12/31/2025**	**-**	**1,045**	**-**
Total (A+B)	**12/31/2024**	**-**	**-**	**-**

E. Effects of hedging transactions recognised in shareholder's equity

	Reserve hedging financial flows					Reserve hedging foreign investments				
	Debt securities and interest rate	Equity securities and stock price indices	Currencies and gold	Credits	Others	Debt securities and interest rate	Equity securities and stock price indices	Currencies and gold	Credits	Others
Initial balance	-	-	-	-	-	-	-	-	-	-
Changes in Fair Value	1,045	-	-	-	-	-	-	-	-	-
Transfer to P&L	-	-	-	-	-	-	-	-	-	-
of which: future transaction not expected	-	-	-	-	-	X	X	X	X	X
Other variations	-	-	-	-	-	-	-	-	-	-
of wich: transfer to initial book value	-	-	-	-	-	X	X	X	X	X
Final balance	**1,045**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Hedging instruments (items not designated)			
	Time value option		Forward value and differential foreign currency	
	Hedging related to operation	Hedging related to a period	Hedging related to operation	Hedging related to a period
Initial balance	-	-	-	-
Changes in value	-	-	-	-
Transfer to P&L	-	-	-	-
Other variations	-	-	-	-
Final balance	**-**	**-**	**-**	**-**

3.3 Other information on trading and hedging derivatives

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparty

	Controparti centrali	Banche	Altre società finanziarie	Altri soggetti
A. Derivati finanziari				
1) Titoli di debito e tassi d'interesse				
- valore nozionale	-	11.662.010	-	-
- fair value netto positivo	-	29.831	-	-
- fair value netto negativo	-	31.532	-	-
2) Titoli di capitale e indici azionari				
- valore nozionale	-	-	-	-
- fair value netto positivo	-	-	-	-
- fair value netto negativo	-	-	-	-
3) Valute e oro				
- valore nozionale	-	-	-	-
- fair value netto positivo	-	-	-	-
- fair value netto negativo	-	-	-	-
4) Merci				
- valore nozionale	-	-	-	-
- fair value netto positivo	-	-	-	-
- fair value netto negativo	-	-	-	-
5) Altri				
- valore nozionale	-	-	-	-
- fair value netto positivo	-	-	-	-
- fair value netto negativo	-	-	-	-
B. Derivati creditizi				
1) Acquisto protezione				
- valore nozionale	-	-	-	-
- fair value netto positivo	-	-	-	-
- fair value netto negativo	-	-	-	-
2) Vendita protezione				
- valore nozionale	-	-	-	-
- fair value netto positivo	-	-	-	-
- fair value netto negativo	-	-	-	-

Section 4 – Liquidity risk

Qualitative information

For qualitative information, please refer to the information provided in Part E of the Notes to the Consolidated Financial Statements.

Quantitative information

1. Distribution of financial assets and liabilities by residual maturity

Items/Time	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
A. On-balance sheet assets	**215,430**	**5,731**	**146,621**	**19,256**	**368,234**	**603,487**	**1,368,045**	**4,016,883**	**997,718**	**13,999**
A.1 Government securities	-	-	51,738	-	525	50,950	204,450	102,775	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	215,430	5,731	94,883	19,256	367,709	552,537	1,163,595	3,914,108	997,718	13,999
- Banks	122,923	-	-	626	115	723	1,491	11,000	45,000	13,999
- Customers	92,507	5,731	94,883	18,630	367,594	551,814	1,162,105	3,903,108	952,718	-
B. On-balance sheet liabilities	**873,125**	**17,828**	**20,611**	**32,693**	**246,215**	**384,244**	**563,471**	**4,648,109**	**140,862**	**-**
B.1 Deposits and current accounts	867,181	17,383	20,611	30,004	87,361	172,398	214,421	3,023,346	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	867,181	17,383	20,611	30,004	87,361	172,398	214,421	3,023,346	-	-
B.2 Debt securities	-	-	-	-	-	-	-	710,000	-	-
B.3 Other liabilities	5,944	445	-	2,689	158,854	211,846	349,050	914,764	140,862	-
C. Off-balance sheet transactions										
C.1 Physically settled financial derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Cash settled financial derivatives										
- Long positions	-	-	-	181	3,111	3,266	5,464	-	-	-
- Short positions	-	-	-	1,231	5,289	6,183	10,430	-	-	-
C.3 Deposit to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Written guarantees	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

With reference to financial assets subject to “self-securitisation”, details are provided below.

Transactions outstanding as at the reporting date

At the end of the 2025 financial year, the Bank has one performing transaction outstanding.

Transaction	12/31/2025				
	Class	ISIN Code	Rating Moody's / DBRS	Activities	Outstanding al 31/12
Golden Bar 2022-1	A	IT0005495921	Aa2/AAH		258,011,462
	B	IT0005495939	Aa2/AA	Salary assignment, retirement assignment and delegation of payment.	30,225,282
	Z	IT0005495947	NR / NR		30,225,282

Consequently, in accordance with international accounting standards, these securitised portfolios were not derecognised, as the derecognition requirements were not met.

Section 5 – Operational risks

Qualitative information

For qualitative information, including legal risks and tax litigation, please refer to the information provided in Part E of the Notes to the Consolidated Financial Statements.

Quantitative information

The theoretical unexpected losses, determined by applying the standard method (STA), amount to EUR 27.8 million.

The losses recognised during the financial year (Source: EDB – Event Database) are represented as follows:

Risk Type	Net Losses	Net Provisions	Addition, uses and recoveries	Net Op. Risk Impact
Internal Fraud				
External Fraud	2,058		- 150	1,908
Employment, pratises & Workplace Safety				
Clients, Products & Business Practices	6,933	618	- 252	7,300
Damage to physical Assets				
Business Disruption & System Failures			- 4,004	- 4,400
Execution, Delivery & Process Management	595		- 16	579
TOTAL	**9,586**	**618**	**- 4,422**	**5,783**

The item 'Business disruption and system failures' refers to an IT incident that occurred in February 2024, for which the related insurance reimbursement was received in 2025.

Part F – Information on shareholder's equity

Section 1 – Shareholder's equity

A. Qualitative information

For qualitative information on shareholders' equity and the corresponding management policies, please refer to Part E of the Notes to the consolidated financial statements.

B. Quantitative

B.1 Shareholders' equity: breakdown

Captions/Amounts	Amount 12/31/2025	Amount 12/31/2024
1. Capital	573,000	573,000
2. Emission Fees	633	633
3. Reserves	396,389	394,946
- useful	356,476	355,033
a) legal	38,215	36,772
b) statutory	-	-
c) treasury shares	-	-
d) other	318,261	318,261
- other	39,913	39,913
4. Capital Instruments	-	-
5. (Own shares)	-	-
6. Valuation reserves:	461	(626)
- Titoli di capitale designati al fair value con impatto sulla redditività complessiva	-	-
- Hedges of equity securities designated at fair value with an impact on the overall profitability	-	-
- Financial assets (different from capital securities) measured at fair value with an impact on overall profitability	25	-
- Tangible assets	-	-
- Intangible assets	-	-
- Foreign investment coverage	-	-
- Financial flow cover	1,045	-
- Hedging instruments [Unspecified Elements]	-	-
- Exchange differences	-	-
- Non-current assets and groups of assets held for sale	-	-
- Financial liabilities designated at fair value with impact on the income statement (changes in their creditworthiness)	-	-
- actuarial gains (losses) on defined benefit plans	(609)	(626)
- Units of valuation reserves of investments valued at equity	-	-
- Special revaluation laws	-	-
7. Profit (loss) for the year	67,804	28,866
Total	**1,038,286**	**996,818**

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/values	Total 12/31/2025		Total 12/31/2024	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	25	-	-	-
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
Total	**25**	**-**	**-**	**-**

B.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	-	-	-
2. Positive changes	25	-	-
2.1 Fair value increases	25	-	-
2.2 Value adjustments for credit risk	-	X	-
2.3 Transfer to the income statement of negative reserves to be realized	-	X	-
2.4 Transfers to other equity (capital securities)	-	-	-
2.5 Other changes	-	-	-
- di cui operazioni di aggregazione aziendale	-	-	-
3. Negative changes	-	-	-
3.1 Fair value reductions	-	-	-
3.2 Write-backs for credit risk	-	-	-
3.3 Reclassification throught profit or loss of positive reserves: - following disposal	-	X	-
3.4 Transfers to other equity (capital securities)	-	-	-
3.5 Other changes	-	-	-
- di cui operazioni di aggregazione aziendale	-	-	-
4. Closing balance	**25**	**-**	**-**

B.4 Valuation reserves related to defined-benefit pension plans: annual changes

The valuation reserve amounts to Euro 608 mila.

During the year there was a decrease in valuation reserves related to defined-benefit pension plans for an amount equal to Euro 18 mila al netto del corrispondente effetto fiscale.

Section 2 – Own funds and capital adequacy ratios

The Santander Consumer Bank Group is not required to prepare the public disclosure (Third Pillar), as it is prepared by the Spanish parent company.

In light of this peculiarity, the relevant information is provided in the following tables.

Own funds

Santander Consumer Bank Own Funds	Total	
	12/31/2025	12/31/2024
A. Capital primary Class 1 (Common Equity Tier 1 - CET1) before application of prudential filters	**970,482**	**965,560**
of which CET1 instruments subject to transitional provisions		
B. Prudential filters CET1 (+/-)	**(32)**	
C. CET1 before items to be deducted and the effects of the transitional arrangements (A +/- B)	**970,451**	**965,560**
D. Deductions from CET1	**8,989**	**8,955**
E. Transitional regime - Impact on CET1 (+/-)		
F. Total Capital primary Class 1 (Common Equity Tier 1 - CET1) (C - D +/- E)	**961,461**	**956,605**
G. Additional Tier 1 Capital (Additional Tier 1 - AT1) before items to be deducted and the effects of the transitional arrangements		
of which AT1 instruments subject to transitional provisions		
H. Deductions from AT1		
I. Transitional regime - Impact on AT1 (+/-),		
L. Total Capital Additional Tier 1 (Additional Tier 1 - AT1) (G - H +/- I)		
M. Capital Class 2 (Tier 2 -T2) before items to be deducted and the effects of the transitional arrangements	**142,656**	**144,655**
of which T2 instruments subject to transitional provisions		
N. Deductions from T2		
O. Transitional regime - Impact on T2 (+/-)		
P. Total Share of Class 2 (Tier 2 -T2) (M - N +/- O)	**142,656**	**144,655**
Q. Total own funds (F + L + P)	**1,104,118**	**1,101,260**

Common Equity Tier 1 capital consists of accounting shareholders' equity, net of the profit for the period, with the following adjustments:

- deduction of intangible assets, in excess of the applicable risk-weighting rules, amounting to Euro 1,459 thousand (Euro 734 thousand in 2024);
- deduction of exposures relating to STS securitisations amounting to Euro 5,806 thousand (Euro 6,891 thousand in 2024);
- deduction of the minor accounting write downs compared to the *Calendar Provisioning* requirements amounting to Euro 1,724 thousand (Euro 1,612 thousand in 2024);
- deduction of deferred tax assets that rely on future profitability and do not arise from temporary differences, net of related deferred tax liabilities, amounting to zero (Euro 2,392 thousand in 2024).

Additional Tier 1 capital and Tier 2 capital consist of issued instruments deemed eligible. These instruments are recognised on the basis of the time criterion set out in the regulation.

Supervisory ratios

Value	Non weighted assets		Weighted assets	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
A. RISK ASSETS				
A.1 Credit and counterparty risk	5,322,871	5,878,789	3,437,872	3,862,963
1. Standardized approach	5,322,871	5,878,789	3,437,872	3,862,963
2. IRB approach				
2.1 Foundation				
2.2 Advanced				
3. Securitizations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			275,030	309,037
B.2 Risk valuation adjustment credit				
B.3 Regulation Risk				
B.4 Market Risk				
1. Standardized approach				
2. Internal models				
3. Concentration risk				
B.5 Operational risk			27,838	23,930
1. Basic indicator approach (BIA)				
2. Traditional standardized approach (TSA)			27,838	23,930
3. Advanced measurement approach (AMA)				
B.6 Other calculation elements				
B.7 Total capital requirements			302,868	332,967
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Weighted risk assets			3,785,851	4,162,088
C.2 Capital primary class1 / Risk			25.40%	22.98%
C.3 Capital Class 1 / Risk-weighted assets (Total capital ratio)			25.40%	22.98%
C.4 Total own funds / Risk-weighted assets (Total capital ratio)			29.16%	26.46%

Part G – Business combinations involving companies or business units

Section 1 – Transactions carried out during the year

The Group did not carry out any business combinations involving companies or business units during the year.

Section 2 – Transactions subsequent to the year end

The Group did not carry out any business combinations involving companies or business units after the end of the year.

Section 3 – Retrospective adjustments

The Group did not make any retrospective adjustments.

Part H – Related-party transactions

As required by Commission Regulation (EU) No 632/2010 of 19 July 2010, IAS 24 defines the concept of a related party and identifies the relationship between the related party and the entity that prepares the financial statements.

Based on these definitions, related parties include:

- significant shareholders, as well as their subsidiaries (including jointly controlled subsidiaries) and associates;
- key management personnel;
- close members of the families of shareholders and key management personnel, and entities controlled (including jointly controlled) by such persons or by their close family members.

For the purposes of managing related-party transactions, reference is made to the rules set out in CONSOB Regulation No. 17221/2010 (issued pursuant to Article 2391-bis of the Italian Civil Code) and to the provisions introduced in 2011 by Title V, Chapter 5 of Bank of Italy Circular No. 263/2006, as well as to the provisions of Article 136 of Legislative Decree No. 385/1993. In this context, Santander Consumer Bank adopted the "Regulations on transactions with related parties" for the management of transactions with parties in conflict of interest, aimed at establishing investigation and approval rules for transactions carried out with related parties and at regulating the procedures to comply with disclosure obligations towards stakeholders.

1. Information on the remuneration of key management personnel

	Management and Control bodies	Other Manager	Total
Short-term benefits	526	1,738	2,264
Post-employment benefits			
Other long-term benefits			
Termination indemnities			
Share-based payments		383	383
Total	**526**	**2,121**	**2,647**

2. Related party disclosure

	Banco Santander	Santander Consumer Finance	Stellantis Financial Services S.p.A.	TimFin S.p.A	Santander Consumer Renting S.r.l.	Drive S.r.l	Other Santander Group companies
A10. Cash and cas balances	28						
A20. Financial assets designated at fair value through profit or loss							
A20a). Financial assets held for trading	29,831						
A40. Financial assets measured at amortised cost							
A40a) Loans and advances to banks	12,618		56,495				
A40b) Loans and advances to costumers					160,952	55,069	
A50. Hedging derivatives	11,635						
A70. Equity investments			292,940	38,250	17,500	9,426	
A90. Intangible assets							477
A120. Other assets			399	6,282	904	4,594	6,061
L10. Financial liabilities valued at amortised cost							
L10) Deposits from banks	(4,740)	(1,729,243)					
L10b) Deposits from costumers					(104)	(9)	(12,569)
L10c) Debt securities in issue		(714,191)					
L20. Financial liabilities held for trading	(31,532)						
L40. Hedging derivatives	(17,586)						
L80. Other liabilities	(1,272)	(56)	(40)		(20,972)	(6,784)	(2,295)
PL10. Interest and similar income	14,436		3,069		4,962	2,271	
PL20. Interest expenses and similar charges	(13,631)	(90,230)			(37)	(11)	(176)
PL40. Fee and commission income				684		139	-
PL50. Fee and commission cost	(32)		(130)				(40)
PL80. Net income financial assets and liabilities held for trading	(1,180)						
PL90. Net hedging gains (losses) on hedge accounting	18,809						
PL160. Administrative costs:							
PL160a) payroll costs			1,269	1,792	49	8	360
PL160b) other administrative costs							
PL190. Net adjustments / writebacks on intangible assets							(105)
PL200. Other operating income/expenses			2,738	10,081	728	475	16,092
Derivatives - notional	8,946						

Transactions carried out by the Group with related parties generally fall within the sphere of ordinary operations of the Group and are normally carried out under market conditions and in any case on the basis of assessments of mutual cost effectiveness, in compliance with the internal procedures referred to above.

Dealings with the parent companies (Banco Santander and Santander Consumer Finance) refer to:

- derivative transactions;
- funding transactions;
- consulting services received.

Dealings with the subsidiaries (Stellantis Financial Services Italia, TIMFin, Santander Consumer Renting and Drive) mainly refer to:

- Group VAT and tax consolidation (where applicable);
- funding transactions;
- management services granted, with related recharges of out-of-pocket expenses (including secondment of employees).

Dealings with the other companies of the Santander Group mainly refer to:

- consulting services received;
- management services granted, with related recharges of out-of-pocket expenses.

As regards transactions with key management personnel of the entity or its parent company, these are not presented in the above table..

Other information

For the information required by article 2427, paragraph 16 bis of the Italian Civil Code concerning the total amount of fees due to the independent auditors, please refer to Part H - Related-party transactions – Other information of the Consolidated Financial Statements of Santander Consumer Bank Group.

Part I – Share-based payment arrangements

The Group has not entered into share-based payment arrangements based on its own equity instruments.

Part L – Segment reporting

The Group does not present this information as it is not listed and does not issue widely distributed securities.

Part M – Lease disclosure

Section 1 – Lessee

Nella presente parte sono fornite le informazioni richieste dall'IFRS16 che non sono presenti nelle altre parti del Bilancio, distinte tra locatario e locatore.

Qualitative information

Real estate leases

Property lease agreements have right-of-use assets amounting to Euro 9.489 thousand (Euro 10.925 thousand in 2024) and mainly include the premises of the Group's companies.

The contracts generally have terms longer than 12 months and typically include renewal and termination options exercisable by the lessor and the lessee in accordance with statutory rules or specific contractual provisions. These contracts usually do not include a purchase option at the end of the lease term or significant restoration costs. Based on the characteristics of the lease contracts and the provisions of Law 392/1978, in the case of signing a new rental agreement with a contractual term of six years and the option to renew the contract tacitly in six-year periods, the overall lease term is assumed to be twelve years. This general indication is overridden where new elements or specific circumstances within the contract exist.

Motor vehicle leases

Lease contracts relating to vehicles have a right-of-use asset of Euro 508 thousand (Euro 115 thousand in 2024), and consist of long-term rentals relating to the company fleet made available to employees for mixed business and private use.

These contracts generally provide for monthly payments, do not include renewal options, and do not include a purchase option for the asset.

Residual leases

As already stated in the accounting policies, the Group applies the exemptions permitted by IFRS 16 for short-term leases (i.e., with a term of 12 months or less) and leases of low-value assets (i.e., with a value of EUR 5.000 or less), such as hardware and sub-leases.

It is also specified that no sale and leaseback transactions were carried out.

Quantitative information

Reference should be made to the Notes to the Financial Statements:

- in Part B – Assets, the information on right-of-use assets acquired through leasing is presented (Table 9.1 – Property and equipment for own use: composition of assets measured at cost);
- in Part B – Liabilities, lease liabilities are presented (Table 1.2 – Financial liabilities measured at amortised cost: breakdown of amounts due to customers) and their breakdown by maturity (Table 1.6 – Finance lease liabilities);
- in Part C, information is provided on interest expense on lease liabilities, other expenses related to right-of-use assets acquired through leasing, and income arising from sub-lease transactions.

The following table shows the quantitative information not included in the references above:

	Leasing low-value	Short term leasing	Proceeds sub-leasing
Total	**6**	**7**	**356**

Sezione 2 – Lessor

Qualitative information

The entity provides finance and operating leases consisting in granting the right to use cars, motorcycles, motorhomes and commercial vehicles.

In its capacity as lessor, the management of the risk associated with the rights retained by the Group over the underlying assets is carried out through repurchase (buy back) agreements, real guarantees (security deposits) and personal guarantees (bank, insurance and surety bonds).

Quantitative information

1. Balance sheet and Income statement information

Reference should be made to the Notes to the Financial Statements:

- in Part B – Assets, lease receivables are presented (Table 4.2 – Financial assets measured at amortised cost: breakdown of loans and receivables due from customers);
- in Part C, information is provided on interest income on lease financing and other revenues from finance leases..

2. Financial leases

2.1 Classification by time bands of payments to be received and reconciliation with lease receivables recognised under assets

Maturity ranges	Total 12/31/2025 Lease payments receivables	Total 12/31/2024 Lease payments receivables
Up to one year	63,256	56,986
Over one year up to 2 years	52,332	52,979
Over 2 years up to 3 years	42,915	41,080
Over 3 years up to 4 years	34,643	27,515
Over 4 years up to 5 years	17,149	11,839
For over 5 years	-	-
Amount of the lease payments receivables	**210,295**	**190,398**
RECONCILIATION OF THE UNDISCOUNTED LEASE PAYMENTS	(26,840)	(24,374)
Not accrued gains (-)	(26,840)	(24,374)
Not guarantee residual value (-)	-	-
Lease payments	**183,455**	**166,024**

2.2 Other information

In order to manage residual values arising from assets for which the option was not exercised or that were repossessed following contract termination, the Group has established a sales procedure through dedicated platforms, in order to dispose of the assets as quickly as possible under market conditions.

3. Operating leases

The company has no operating leases

Balance sheet and income statement of Santander Consumer Finance, S.A.

On the basis of the provisions of Italian Legislative Decree no. 6/2003 on the disclosures to be made with regard to direction and coordination to which Santander Consumer Bank S.p.A. is subject (article 2497-bis, article 2497-ter), a summary of the key data from the latest approved financial statements of Santander Consumer Finance S.A., which exercises direction and coordination, is given below. For an adequate and full understanding of economic and financial position of Santander Consumer Finance SA as at 31 December 2023 as well as of the economic results achieved by the company in the financial year ending on that date, reference is made to the financial statements themselves which, accompanied by the independent auditors' report, are available in the forms and in the manner prescribed by law.

SANTANDER CONSUMER FINANCE, S.A.

CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2024 AND 2023

(EUR Thousands)

ASSETS	2024	2023	LIABILITIES AND EQUITY	2024	2023
Cash, cash balances and others at central banks	2,888,562	1,804,454	LIABILITIES		
Financial assets held for trading	47,571	91,585	Financial liabilities held for trading	49,375	99,626
Non-trading financial assets mandatorily at fair value through profit or loss	754	658	Financial liabilities at amortised cost	46,941,069	46,429,704
Financial assets through other comprehensive income	1,102,883	2,052,062	Derivatives – hedge accounting	56,422	206,186
Financial assets at amortised cost	41,381,839	41,185,022	Provisions	99,216	90,741
Derivatives – hedge accounting	151,489	110,354	Tax liabilities	401,538	383,631
Changes of the fair value of hedged items in an interest rate risk hedging portfolio	(50.348)	(103.053)	Other liabilities	158,699	223,864
Investments in subsidiaries, joint ventures and associates	11,207,277	11,293,800			
Tangible assets	20,975	24,569	**TOTAL LIABILITIES**	47,706,319	47,433,752
Intangible assets	149,527	146,996			
Tax assets	414,131	439,866	Equity	9,710,289	9,745,235
Other assets	87,319	87,749	Other comprehensive income	(12,825)	(42,430)
Assets included in disposal groups classified as held for sale	1,804	2,495			
			TOTAL EQUITY	9,697,464	9,702,805
TOTAL ASSETS	57,403,783	57,136,557	**TOTAL LIABILITIES AND EQUITY**	57,403,783	57,136,557
Memorandum items: off balance sheet items					
Loans commitment granted	1,311,283	752,699			
Financial guarantees granted	4,933,707	4,088,678			

SANTANDER CONSUMER FINANCE, S.A.

CONDENSED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(EUR Thousands)

	Income / (expenses)	
	2024	2023
Interest income	2,086,424	1,650,772
Interest expenses	(1,573,778)	(1,149,379)
NET INTEREST INCOME	512,646	501,393
Dividend income	501,515	889,086
Income from companies accounted for using the equity method	—	—
Commissions income	120,283	88,169
Commissions expense	(69.418)	(65.846)
Gains or losses on financial instruments not at fair value through profit or loss, net	(23,458)	47,128
Gains or losses on financial instruments held for trading, net	(3,740)	(1,724)
Gains or losses from hedge accounting, net	948	5,170
Exchange differences, net	4,088	(3,794)
Gains or losses on derecognition of investments in subsidiaries, joint ventures or associates, net	42,514	30,522
Other operating income	14,741	10,135
Other operating expenses	(23,916)	(41,253)
OPERATING INCOME	1,076,203	1,458,986
Administration and general expenses	(307,397)	(332,941)
Depreciation and amortisation cost	(49,624)	(31,949)
Provisions or reversal from provisions, net	(60,577)	(31,925)
Impairment charges and reversals from financial assets not measured at fair value through profit or loss	(179,483)	(108,835)
NET OPERATING PROFIT	479,122	953,336
Impairment charges or reversals on investments in joint ventures and associates	29,991	—
Impairment charges or reversals on non-financial assets	(2,643)	(2,541)
Gains or losses on assets and liabilities included in disposal groups classified as held for sale from discontinued operations	(1,587)	(4,773)
PROFIT OR LOSS BEFORE TAX IN RESPECT OF CONTINUING OPERATIONS	504,883	946,022
Taxation	53,170	(28,799)
Gains or losses after tax in respect of continuing operations	558,053	917,223
PROFIT/(LOSS) AFTER TAX	558,053	917,223

Annexes

Annex 1 – Country-by-country reporting

Following the updating on 17 June 2014 of the Circular of the Bank of Italy no. 285 of 17 December 2013, Chapter III, Section 2, which implements the provisions of article 89 of Directive no. 2013/36/EU (CRD IV) on the issue of prudential supervision of credit institutions and investment firms, the following information is provided.

Company Name	Head Office	Activity	Revenue	Number of employees	Total profit or loss before tax	Tax income of the year	Public contributions received
Santander Consumer Bank S.p.a.	Italy	Banking	277,219	600	82,068	(14,265)	14
Stellantis Financial Services Italia S.p.a.	Italy	Banking	310,850	441	168,637	(56,429)	4
Stellantis Renting Italia S.p.a.	Italy	Rental and operating lease activities	11,460	3	6,899	(2,189)	191
TimFin S.p.a.	Italy	Leading activities	30,552	20	5,560	- 1,707 €	-
Santander Consumer Renting S.r.l.	Italy	Rental and operating lease activities	(5,198)	24	(6,047)	1,366 €	-
Drive S.r.l	Italy	Rental and operating lease activities	(2,450)	12	(3,378)	731 €	4
Total			**622,433**	**1,100**	**253,740**	(72,493)	-
Consolidation adjustment			(763,781)	-	(45,585)	- €	- €
Total of Group			**(141,348)**	**1,100**	**208,155**	**(72,493)**	

Key:

* for companies that carry out banking and lending activities, turnover is represented by the net interest and other banking income.

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