

Consolidated Financial Statements 2024



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01

Corporate position

Board of Directors

Emanuele Cesarini

Chairman (in office since 28/05/2024)

Franco Gallia

Vice Chairman (in office since 28/05/2024)

Micaela Licia Menicucci

General Manager

Board Members

Francesco Gennari

Elisa Fabris

(in office since 27/02/2025)

Gian Primo Giardi

(in office since 28/05/2024)

Board of Statutory Auditors

Vanessa Tavolini

Chairman

Erika Marani

Auditor

Giorgio Rusticali

Auditor

General Management

Micaela Licia Menicucci

General Manager

Marco Castronovo

Deputy Director

Riccardo Terenzi

Deputy Director

02

Report of the board of directors

Report of the board of directors on the 2024 consolidated financial statements

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The Macroeconomic Scenario

Global Economic Outlook

In the latest OECD Economic Outlook, published in June, the **global outlook is becoming increasingly complex**. The substantial rise in trade barriers, tighter financial conditions, weakening business and consumer confidence, and increased uncertainty over public policy are expected to have negative effects on growth prospects if these trends persist. An increase in trade costs, particularly in countries raising tariffs, will also fuel inflation, though this effect may be partially offset by falling commodity prices. Assuming tariffs remain at mid-May levels, despite ongoing legal disputes, projections point to a **slowdown in global GDP growth** from 3.3% in 2024 to 2.9% this year and in 2026 (see the table below).

This downturn is expected to be most pronounced in the United States, Canada, and Mexico, while China and other economies are likely to see smaller downward adjustments. **Growth** throughout **2025** is expected to remain particularly **weak**, with global production increasing by just over 2.5% during the year through the fourth quarter, and by only 1.1% in the United States. Over the next two years, global trade growth is also likely to slow significantly, after peaking due to pre-tariff stockpiling, and uncertainty is expected to hold back corporate investment. Some economies may benefit from more relaxed fiscal policies, though many countries are expected to adopt a moderately restrictive fiscal stance. For the G20 economies as a whole, annual inflation is estimated to decline from 6.2% to 3.6% in 2025 and to 3.2% in 2026. The United States is a notable exception, where annual inflation is expected to rise to nearly 4% by the end of 2025 and remain above target in 2026. The OECD's message, released on the same day as the global economic outlook, calls for the removal of new trade barriers and a peaceful resolution to both Russia's war in Ukraine and ongoing conflicts in the Middle East. As emphasized by the Paris-based organization, this could "also improve confidence and incentives for investment."

The uncertainty of the current scenario complicates the work of central banks. At its June 5, 2025 meeting, the **European Central Bank** implemented its **eighth consecutive rate cut**, lowering interest rates by another quarter point. In the baseline scenario of the Eurosystem experts' new projections, headline inflation is expected to average 2.0% in 2025, 1.6% in 2026, and 2.0% in 2027. **The deposit rate thus falls to 2%**, the main refinancing rate reaches 2.15%, and the marginal lending rate 2.40%. While the Federal Reserve has signaled an intention to ease monetary policy, its decisions remain uncertain and depend on the stability of inflation expectations.

	Average 2013-2019	2023	2024	2025	2026	2024 Q4	2025 Q4	2026 Q4
		Per cent %						
Real GDP growth ¹								
World ²	3.4	3.4	3.3	2.9	2.9	3.4	2.6	3.0
G20 ²	3.5	3.8	3.4	2.9	2.9	3.5	2.6	3.0
OECD ²	2.3	1.8	1.8	1.4	1.5	1.9	1.1	1.7
United States	2.5	2.9	2.8	1.6	1.5	2.5	1.1	1.6
Euro area	1.9	0.5	0.8	1.0	1.2	1.2	0.7	1.7
Japan	0.8	1.4	0.2	0.7	0.4	1.4	0.1	0.4
Non-OECD ²	4.4	4.7	4.5	4.1	3.9	4.6	3.8	4.0
China	6.8	5.4	5.0	4.7	4.3	5.2	4.3	4.5
India ³	6.8	9.2	6.6	6.3	6.4	-	-	-
Brazil	-0.4	3.2	3.4	2.1	1.6	-	-	-
OECD unemployment rate ⁴	6.5	4.8	4.9	5.0	4.9	4.9	5.0	4.9
Inflation ¹								
G20 ^{2,5}	3.0	6.3	6.2	3.6	3.2	4.7	3.4	2.8
OECD ⁶	1.7	7.1	5.1	4.1	3.2	4.3	4.1	2.8
United States ⁷	1.3	3.8	2.5	3.2	2.8	2.5	3.9	2.1
Euro area ⁸	0.9	5.4	2.4	2.2	2.0	2.2	2.1	2.0
Japan ⁹	0.9	3.3	2.7	2.8	2.0	2.9	2.1	2.1
OECD fiscal balance ¹⁰	-3.1	-4.6	-4.7	-4.6	-4.7	-	-	-
World real trade growth ¹	3.3	1.2	3.8	2.8	2.2	4.0	2.0	2.8

¹ Per cent; last three columns show the change over a year earlier.

² Moving nominal GDP weights, using purchasing power parities.

³ Fiscal year.

⁴ Per cent of labour force.

⁵ Headline inflation.

⁶ Moving nominal private consumption weights, using purchasing power parities.

⁷ Personal consumption expenditures deflator.

⁸ Harmonised consumer price index.

⁹ National consumer price index.

¹⁰ Per cent of GDP.

Source: OECD Economic Outlook 117 database.

During a recent visit to San Marino, the Deputy Managing Director of the International Monetary Fund highlighted that the Sammarinese economy remains resilient, with employment levels at record highs. The meeting addressed plans to continue building fiscal reserves by containing expenditures, promoting income tax reforms, and introducing VAT, along with the challenges of fiscal policy amid ongoing trade tensions and rising uncertainty. The authorities' efforts to reduce vulnerabilities in the financial sector were also discussed, including resolving legacy issues in the banking system and managing non-performing loans through securitization and enhanced banking regulation. Although liquidity, capitalization, and profitability have improved, banks will need to further increase cost efficiency to ensure long-term sustainability. Progress in implementing the anti-money laundering and counter-terrorism financing framework was positively acknowledged. The conclusion of the negotiations for the Association Agreement with the EU represents another milestone for San Marino. The agreement will help local businesses gain access to the EU market and enhance the quality of public administration.

On June 13, 2025 Fitch Ratings published its outlook for the Republic of San Marino, revising the forecast from stable to positive, while confirming its rating at BB+. The main rating drivers identified by Fitch include:

- a significant reduction in non-performing loans in the banking system, which declined from 56.2% in 2022 to 19% in 2024. This improvement was supported by the securitization process and targeted write-downs that reduced net NPLs to 12.1% as of March 2025, compared to 27.8% at the end of 2022. The ongoing securitization process has enabled the early repayment of 50% of senior bonds;
- a decline in public debt, which Fitch estimates will fall to 61.4% of GDP by the end of the current year. The government aims to bring the debt ratio below 60% in the medium term and to refinance the eurobond maturing in 2027;
- the analysis is supported by positive macroeconomic indicators: high per capita income, resilient exports, a strong net external creditor position, and a stable political system. Projected GDP growth for 2024 is 0.7%, with the services sector (especially tourism) cushioning the decline in external demand that has affected manufacturing;
- a further strategic element is the imminent signing of the Association Agreement with the European Union, which could open up growth opportunities and greater economic integration, contributing positively to the country's economy.

Foreign Branches

There are no branches located outside the territory of San Marino.

Scope of consolidation

In 2024, the structure of the Banca Agricola Commerciale S.p.A. Group remained stable. The following companies, wholly or majority-owned by the Parent Company and included in the scope of consolidation using the full consolidation method, are confirmed:

- BAC Investments SG S.p.A., 100% owned, a Savings Management Company established in 2018, exclusively authorized to promote and manage mutual investment funds;
- BAC Life S.p.A., 100% owned, the only Sammarinese life insurance company operating in the territory, for which BAC has also acted as insurance broker since the company's establishment in 2009;
- BAC Trustee S.p.A., 100% owned, engages in professional trustee activities as well as acting as resident agent, in accordance with current legislation;
- BAC Real Estate S.r.l. (formerly IBS Immobiliare S.r.l.), 100% owned, manages and enhances real estate assets;
- San Marino Finanza e Previdenza S.r.l., established in 2021 with a 51% stake in a joint venture with an Italian-registered company. It acts as the Group's insurance agency, placing life and non-life insurance policies.

Below are the investments in other companies outside the Banking Group's consolidation perimeter, with ownership stakes equal to or greater than 20%, consolidated using the proportional method:

- S3 – Special Servicer Sammarinese S.r.l., which serves as the Special Servicer for the system-wide securitization operation under Law no. 157/2021, in which BAC holds 33.00% of the share capital, together with other originating banks;
- NCO Immobiliare S.r.l., 50% owned jointly with another local bank, established in 2022 to protect their respective credit claims against a common debtor;
- S.S.I.S. S.p.A (Società Sistemi Informatici Sammarinese), held in equal 50% share with another Sammarinese credit institution;
- Centro Servizi S.r.l., 33.33% owned jointly with two other Sammarinese banks, operating in the IT sector.

General principles for preparing of the consolidated management report

The consolidated management report is intended to ensure, both in form and content, the necessary clarity and a truthful and accurate representation of the Group's economic and financial position.

The information is presented using summarized reclassified formats of the balance sheet and profit and loss account, which are strictly reconciled with the official financial statement formats. The following tables provide a summary of the consolidated balance sheet and profit and loss data as of December 31, 2024, prepared according to the following procedures:

- The individual financial position of the Parent Company BAC as of the reporting date was combined with that of the subsidiaries with ownership stakes exceeding 50%, to create an initial aggregate reference base;
- Reciprocal balance sheet items were eliminated, and intercompany cost and revenue transactions occurring during the year among group companies were reversed;
- The equity items of the subsidiaries were eliminated against the carrying amount of the shareholdings held; any resulting difference (positive or negative consolidation difference) was allocated to the equity of the parent company;
- Dividends received in cash from subsidiaries, related to the 2023 financial statements, were eliminated against an increase in the corresponding revaluation reserve, as required by the consolidation techniques specified in BCSM Circular 2017/03;
- Shareholdings held with stakes less than or equal to 50% and equal to or greater than 20% were consolidated using the proportional method: the assets and liabilities, off-balance sheet transactions, and income and expenses of the jointly controlled entity were included in the consolidated financial statements in proportion to the ownership share held.

Main data

Profit and loss account data

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Absolute	%
Financial Margin	15.050.277	16.785.060	-1.734.783	-10,34%
Net commissions	6.399.158	6.083.005	316.152	5,20%
Profits and losses from financial operations	530.934	1.296.459	-765.524	-59,05%
Other expenses	-72.230	-21.442	-50.788	236,87%
Other income	3.920.302	3.146.650	773.653	24,59%
Net premiums	29.682.108	29.375.783	306.325	1,04%
Profit (loss) from insurance management	-28.833.842	-28.070.078	-763.764	2,72%
Brokerage income	11.626.431	11.810.377	-183.947	-1,56%
Net interest and other banking income	26.676.707	28.595.437	-1.918.729	-6,71%
Personnel expenses	-9.146.175	-9.056.666	-89.509	0,99%
Administrative expenses	-5.988.189	-5.736.776	-251.414	4,38%
Adjustments to property, plant and equipment and intangible assets	-1.674.533	-1.586.443	-88.090	5,55%
Operating expenses	-16.808.897	-16.379.884	-429.012	2,62%
Operating income	9.867.811	12.215.553	-2.347.742	-19,22%
Provisions for risks and charges and net adjustments to receivables	-4.997.400	-5.634.831	637.431	-11,31%
Provisions for credit risks	-14.900	-	-14.900	100,00%
Value adjustments on financial fixed assets	98.302	157.684	-59.382	-37,66%
Value adjustments on non-instrumental fixed assets	-	-	-	-
Extraordinary profit/loss	503.100	43.698	459.402	1051,30%
Change in the provision for general financial risks (+/-)	-	-1.423.222	1.423.222	-100,00%
Income taxes for the year	-574.510	-127.284	-447.226	351,36%
Profit (loss) for the year attributable to third parties	11.965	40.778	-28.813	-70,66%
Profit/(loss) for the year	4.870.438	5.190.820	-320.382	-6,17%

Based on the reporting formats required by the Supervisory Authority (see BCSM Regulation no. 2016/02), intermediation income includes capital and interest components of lease instalments paid by customers. The capital portions are offset by corresponding depreciation charges under adjustments to the value of tangible fixed assets. In the present reclassification, for the purpose of providing a more accurate representation of interim economic results, the aforementioned components are presented net of the capital portion and related depreciation of such leases.

Balance sheet data

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Absolute	%
Total Assets	1.112.206.250	1.147.738.059	-35.531.809	-3,10%
Cash	4.211.421	4.483.625	-272.204	-6,07%
Loans to customers	259.470.360	277.067.690	-17.597.330	-6,35%
<i>of which impaired loans</i>	32.156.485	34.140.497	-1.984.012	-5,81%
Financial assets	264.059.093	238.322.689	25.736.404	10,80%
Net interbank position	114.001.062	159.611.329	-45.610.267	-28,58%
Equity investments	5.002.491	4.977.206	25.285	0,51%
Differenze positive di consolidamento	407.778	275.846	131.932	47,83%
Property, plant and equipment/ intangible assets	120.179.987	120.966.018	-786.031	-0,65%
Other assets	344.874.058	342.033.655	2.840.404	0,83%
Total Liabilities	1.112.206.250	1.147.738.059	-35.531.809	-3,10%
Due to customers and securities issued	685.201.932	737.539.583	-52.337.651	-7,10%
<i>of which payables</i>	518.326.128	527.372.755	-9.046.627	-1,72%
<i>of which payables represented by securities</i>	166.875.803	210.166.827	-43.291.024	-20,60%
Other liabilities	87.784.789	94.811.195	-7.026.407	-7,41%
Provisions for risks and charges	2.637.843	2.531.311	106.531	4,21%
Provision for risks on non-adjustable receivables	625.000	610.100	14.900	2,44%
Technical reserves	233.955.742	215.608.395	18.347.347	8,51%
Provision for general financial risks	1.423.222	1.423.222	-	-
Subordinated liabilities	2.400.988	2.400.922	66	-
Negative consolidation differences	-	-	-	-
Equity attributable to third parties	38.319	63.055	-24.735	-39,23%
Shareholders' equity (including result for the year)*	98.138.415	92.750.275	5.388.140	5,81%

* Does not include the general financial risk fund and the reserve fund for treasury shares.

Customer financial assets

DESCRIPTION	31/12/2024	31/12/2023	CHANGE		COMPOSITION	
			Absolute	%	31/12/2024	31/12/2023
A) Direct deposits	688.627.093	741.246.781	-52.619.688	-7,10%	100%	100%
Savings deposits	1.238.497	1.471.373	-232.876	-15,83%	0,18%	0,20%
Customer current accounts in euros and foreign currency	431.335.383	415.817.239	15.518.144	3,73%	62,64%	56,10%
Repurchase agreements	31.568.674	67.990.078	-36.421.404	-53,57%	4,58%	9,17%
Other funds	54.183.575	42.094.065	12.089.510	28,72%	7,87%	5,68%
Certificates of deposit	166.875.803	210.166.827	-43.291.024	-20,60%	24,23%	28,35%
Internal checks	1.024.173	1.306.211	-282.038	-21,59%	0,15%	0,18%
Subordinated liabilities	2.400.988	2.400.988	-	-	0,35%	0,32%
B) Managed deposits (market value)	832.006	3.590.835	-2.758.829	-76,83%		
of which Cash	101.060	276.317	-175.257	-63,43%		
of which Subordinated Loan	-	-	-	-		
C) Assets under administration (market value)	592.067.428	495.266.961	96.800.467	19,55%		
of which BacInvestments SG funds	131.727.382	109.374.923	22.352.459	20,44%		
of which Subordinated loan	2.395.000	2.395.000	-	-		
D) Custodian bank activities	131.727.382	109.374.923	22.352.459	20,44%		
of which Cash	5.585.784	5.249.412	336.372	6,41%		
of which Subordinated Loan	-	-	-	-		
Total Deposits	1.405.172.065	1.341.558.771	63.613.294	4,74%		

MAIN INDICATORS

	31/12/2024	31/12/2023
Structural data		
number of group employees at year-end	120	124
Number of BAC parent company branches	8	8
Credit risk ratios		
Net non-performing loans/Net loans to customers	4,15%	3,95%
Net doubtful loans/Net loans to customers	12,39%	13,98%
Coverage on total loans	4,08%	4,67%
Profitability indicators		
Net interest income / gross income	56,42%	58,70%
Net fee and commission income / gross income	40,40%	36,74%
cost/income ratio	63,01%	57,28%
Operating income / gross income	36,99%	42,72%
Leverage (average assets / average equity)	11,39	12,42
ROA at year-end	0,44%	0,45%
ROE at year-end (equity including the General financial risk fund)	4,89%	5,97%

Reclassified balance sheet schedules

RECLASSIFIED ASSETS	31/12/2024	31/12/2023	CHANGE		COMPOSITION	
			Absolute	%	31/12/2024	31/12/2023
Cash and cash equivalents	4.211.421	4.483.625	-272.204	-6,07%	0,38%	0,39%
Loans to banks	119.276.310	163.984.085	-44.707.775	-27,26%	10,67%	14,23%
Loans to customers	259.470.360	277.067.690	-17.597.330	-6,35%	23,22%	24,05%
Financial assets	264.059.093	238.322.689	25.736.404	10,80%	23,63%	20,69%
Shareholdings	5.002.491	4.977.206	25.285	0,51%	0,45%	0,43%
Positive consolidation differences	407.778	275.846	131.932	47,83%	0,04%	0,02%
Tangible fixed assets	117.852.558	118.566.119	-713.561	-0,60%	10,55%	10,29%
Intangible fixed assets	2.327.429	2.399.899	-72.470	-3,02%	0,21%	0,21%
Other assets	344.874.057	342.033.654	2.840.404	0,83%	30,86%	29,69%
Total assets	1.117.481.497	1.152.110.813	-34.629.316	-3,01%	100,00%	100,00%

RECLASSIFIED LIABILITIES	31/12/2024	31/12/2023	CHANGE		COMPOSITION	
			Absolute	%	31/12/2024	31/12/2023
Due to banks	5.275.248	4.372.755	902.492	20,64%	0,47%	0,38%
Due to customers	518.326.128	527.372.755	-9.046.627	-1,72%	46,38%	45,77%
Debts represented by securities	166.875.803	210.166.827	-43.291.024	-20,60%	14,93%	18,24%
Other liabilities	87.784.789	94.811.195	-7.026.407	-7,41%	7,86%	8,23%
Provisions for risks and charges	2.637.843	2.531.311	106.531	4,21%	0,24%	0,22%
Provision for non-adjustable credit risks	625.000	610.100	14.900	2,44%	0,06%	0,05%
Technical reserves	233.955.742	215.608.395	18.347.347	8,51%	20,94%	18,71%
Provision for general financial risks	1.423.222	1.423.222	-	-	0,13%	0,00%
Subordinated liabilities	2.400.988	2.400.922	66	-	0,21%	0,21%
Negative consolidation differences	-	-	-	-	-	-
Equity attributable to third parties	38.319	63.055	-24.735	-39,23%	0,00%	0,01%
Net equity	98.138.415	92.750.275	5.388.140	5,81%	8,78%	8,05%
- Capital and reserves	93.267.977	87.559.455	5.708.522	6,52%	8,35%	7,60%
- Retained losses	-	-	-	-	-	-
- Result for the year	4.870.438	5.190.820	-320.382	-6,17%	0,44%	0,45%
Total liabilities	1.117.481.497	1.152.110.813	-34.629.316	-3,01%	100,00%	100,00%

RECLASSIFIED PROFIT AND LOSS ACCOUNT	31/12/2024	% Intermediation margin	31/12/2023	% Intermediation margin	CHANGE	
					Absolute	%
Interest and similar income	25.024.328	93,81%	24.509.418	85,71%	514.909	2,10%
of which a) Interest income to customers	14.025.841	52,58%	15.379.745	53,78%	-1.353.904	-8,80%
b) Interest income to banks	3.961.120	14,85%	3.394.150	11,87%	566.970	16,70%
c) Interest income on debt securities	7.037.366	26,38%	5.735.523	20,06%	1.301.844	22,70%
Interest expense and similar charges	-10.081.016	-37,79%	-7.848.232	-27,45%	-2.232.784	28,45%
of which a) Interest expense to customers	-4.934.674	-18,50%	-4.001.223	-13,99%	-933.450	23,33%
b) Interest expense on payables represented by securities	-5.088.373	-19,07%	-3.815.068	-13,34%	-1.273.305	33,38%
c) Interest expense to banks	-57.969	-0,22%	-31.940	-0,11%	-26.029	81,49%
Net interest income	14.943.311	56,02%	16.661.186	58,27%	-1.717.875	-10,31%
Dividends and other revenue	106.965	0,40%	123.873	0,43%	-16.908	-13,65%
Financial Margin	15.050.277	56,42%	16.785.060	58,70%	-1.734.783	-10,34%
Net commissions	6.399.158	23,99%	6.083.005	21,27%	316.152	5,20%
of which a) Commission income	8.490.949	31,83%	8.181.220	28,61%	309.729	3,79%
b) Commission expense	-2.091.792	-7,84%	-2.098.214	-7,34%	6.423	-0,31%
Profits and losses from financial transactions	530.934	1,99%	1.296.459	4,53%	-765.524	-59,05%
of which a) On securities	228.468	0,86%	976.459	3,41%	-747.991	-76,60%
b) On exchanges	302.466	1,13%	320.000	1,12%	-17.533	-5,48%
Other net income *	3.920.302	14,70%	3.146.650	11,00%	773.653	24,59%
Other net expenses	-72.230	-0,27%	-21.442	-0,07%	-50.788	236,87%
Net fee and commission income	10.778.165	40,40%	10.504.672	36,74%	273.493	2,60%
Net premiums	29.682.108	111,27%	29.375.783	102,73%	306.325	1,04%
Profit (loss) from insurance management	-28.833.842	-108,09%	-28.070.078	-98,16%	-763.764	-2,72%
Gross income	26.676.707	100,00%	28.595.437	100,00%	-1.918.729	-6,71%
Operating costs	-16.808.897	-63,01%	-16.379.884	-57,28%	-429.012	2,62%
of which a) Personnel expenses	-9.146.175	-34,29%	-9.056.666	-31,67%	-89.509	0,99%
b) Other administrative expenses	-5.988.189	-22,45%	-5.736.776	-20,06%	-251.414	4,38%
c) Tangible and Intangible fixed assets adjustments*	-1.674.533	-6,28%	-1.586.443	-5,55%	-88.090	5,55%
Operating income	9.867.811	36,99%	12.215.553	42,72%	-2.347.742	-19,22%
Provisions and net adjustments to loans and advances	-4.402.049	-16,50%	-4.806.317	-16,81%	404.268	-8,41%
Allocations to provisions for credit risks	-14.900	-0,06%	-	-	-14.900	-
Provisions for risks and charges	-595.351	-2,23%	-828.514	-2,90%	233.163	-28,14%
Value adjustments/reversals on financial fixed assets	98.302	0,37%	157.684	0,55%	-59.382	-37,66%
Value adjustments on non-instrumental fixed assets	-	-	-	-	-	-
Income from ordinary activities	4.953.812	18,57%	6.738.405	23,56%	-1.784.593	-26,48%
Extraordinary income (loss)	503.100	1,89%	43.698	0,15%	459.402	1051,30%
Change in provision for general financial risks (+/-)	-	-	-1.423.222	-4,98%	1.423.222	-100,00%
Income taxes	-574.510	-2,15%	-127.284	-0,45%	-447.226	-351,36%
Profit (loss) for the year attributable to third parties	11.965	-	40.778	-28,813	-28.813	-70,66%
Profit (loss) for the year	4.870.438	18,26%	5.190.820	18,15%	-320.382	-6,17%

* Net of the share capital accrued during the year, relating to the lease payments for the assets covered by the financial leasing agreements.

Results for the year and performance for the period

Profit and loss account

Operating result structure¹

The consolidated profit and loss account closes with a positive net result of €4.870 million, down from the previous year's consolidated performance, which showed a profit of €5.191 million, marking a 6.17% decrease (–€0.320 million), despite a much lower component of income taxes in the previous year (€0.127 million), which in the current year amounted to €0.575 million (+351%).

This result was affected by the gradual decline in interest rates during 2024, reversing the trend observed in 2022 and 2023, and leading to reduced profitability for the Parent Company in terms of net interest margin, mainly due to the higher burden of interest expenses compared to the previous year. Dividends from equity securities recorded a slight decrease (–€0.016 million, –13.65%). Overall, the net interest margin fell by €1.734 million (–10.34%), while the fee and commission margin increased by €0.273 million (+2.60%), thanks to significant fee-generating components at Group level, which offset the weaker (but still positive) performance recorded under gains and losses from financial operations. The net intermediation margin declined compared to the previous year by €1.918 million (–6.71%), also impacted by the contribution of the insurance company BAC Life S.p.A., which saw a reduction in profit/loss from insurance activities and net premiums.

Operating costs, amounting to –€16.808 million, rose by 2.62% compared to December 31, 2023 (–€16.379 million), due to increased depreciation on capital investments and administrative expenses related to the startup of NCO Immobiliare S.r.l. and S3 Special Servicer S.r.l.

Personnel expenses increased by €0.089 million (+0.99%) compared to December 31, 2023, as a result of the renewal of the national collective labor agreement for the banking sector.

The earnings achieved allowed the Group to maintain substantial net impairment adjustments on loans totaling €4.416 million, which include the pro rata share of AQR adjustments of the Parent Company, as well as additional provisions to risk and expense funds amounting to €0.595 million.

¹ The data shown refer to the reclassified profit and loss account.

Consolidated statement of assets and liabilities

Loans to customers

Net loans to customers amounted to €259.468 million, down €17.597 million compared to the previous year (-6.35%).

DESCRIPTION	31/12/2024	31/12/2023	CHANGE		COMPOSITION	
			Absolute	%	31/12/2024	31/12/2023
Total gross loans	270.503.292	290.635.505	-20.132.213	-6,93%	100,00%	100,00%
Analytical and flat-rate value adjustments	11.034.588	13.569.304	-2.534.716	-18,68%	4,08%	4,67%
of which Analytical adjustments on doubtful loans	9.586.215	12.367.023	-2.780.808	-22,49%	3,54%	4,26%
Coverage ratio	4,08%	4,67%	-	-	-	-
Total loans net of specific and general write-downs	259.468.704	277.066.201	-17.597.497	-6,35%	95,92%	95,33%
Loans net of non-performing loans	254.903.264	272.860.308	-17.957.044	-6,58%	94,23%	93,88%
Non-performing/performing loans	5,77%	6,12%	-	-	-	-
Non-performing loans net of advances	15.600.028	17.775.197	-2.175.169	-12,24%	5,77%	6,12%
Non-performing loans net of advances	4.838.902	6.844.256	-2.005.354	-29,30%	1,79%	2,35%
Analytical value adjustments	4.838.902	6.844.256	-2.005.354	-29,30%	1,79%	2,35%
Coverage ratio	31,02%	38,50%	-	-	-	-
Non-performing loans net of value adjustments	10.761.126	10.930.941	-169.815	-1,55%	3,98%	3,76%
Total probable defaults	22.739.909	27.592.963	-4.853.054	-17,59%	8,41%	9,49%
Loss projections	4.659.153	5.516.376	-857.223	-15,54%	1,72%	1,90%
Analytical value adjustments	4.659.153	5.516.376	-857.223	-15,54%	1,72%	1,90%
Coverage ratio	20,49%	19,99%	-	-	-	-
Probable defaults net of value adjustments	18.080.756	22.076.587	-3.995.831	-18,10%	6,68%	7,60%
Total past due and/or overdue	3.402.763	1.139.360	2.263.403	198,66%	1,26%	0,39%
Loss forecasts	88.160	6.391	81.769	1279,44%	0,03%	-
Lump-sum value adjustments	88.160	6.391	81.769	1279,44%	0,03%	-
Coverage ratio	2,59%	0,56%	-	-	-	-
Past due and/or overdue net of value adjustments	3.314.603	1.132.969	2.181.634	192,56%	1,23%	0,39%
Total impaired credit exposures	41.742.700	46.507.520	-4.764.820	-10,25%	15,43%	16,00%
Loss forecasts on doubtful loans	9.586.215	12.367.023	-2.780.808	-22,49%	3,54%	4,26%
Value adjustments	9.586.215	12.367.023	-2.780.808	-22,49%	3,54%	4,26%
Coverage ratio	22,97%	26,59%	-	-	-	-
Unlikely-to-pay exposures net of impairment losses	32.156.485	34.140.497	-1.984.012	-5,81%	11,89%	11,75%
Total performing loans	228.760.592	244.127.985	-15.367.393	-6,29%	84,57%	84,00%
Value adjustments	1.448.373	1.202.281	246.092	20,47%	0,54%	0,41%
Coverage ratio	0,63%	0,49%	-	-	-	-

Credit quality

In 2023, there was a significant reduction in doubtful loans thanks to the completion of the system-wide securitization transaction carried out under Law no. 151/2021, which is extensively detailed in the Explanatory Notes to the Financial Statements. The transaction allowed for the disposal of non-performing loans (NPLs) with a gross nominal value of €57.983 million (values as of 31/12/2022) and a net carrying amount of €17.730 million. The Parent Company BAC, as originator, subscribed to mezzanine and junior notes for a total of €11.410 million, included in the investment securities portfolio.

At the end of 2024, gross non-performing loans stood at €41.742 million, down €4.764 million (-10.25%) from the previous year, with an incidence of 15.43% on total loans, compared to 16.00% at 31/12/2023.

Gross bad loans represent 5.77% of total customer loans (compared to 6.12% at 31/12/2023), corresponding to a nominal amount of €15.600 million, a decrease of €2.175 million (-12.24%).

The coverage ratio for non-performing loans, following the impairment adjustments made during the year², amounts to 22.97%.

Performing loans ("in bonis") total €229.932 million (€244.918 million as of 31/12/2023). These loans were subject to a 0.63% write-down, in line with the historical-statistical analysis based on transition matrices.

On total customer loans of €270.503 million, total impairments amount to €11.035 million; the overall coverage ratio is 4.08%, compared to 4.67% at 31/12/2023.

Throughout the year, the Parent Company continued its policy of strict monitoring and recovery of non-performing positions, contributing to the reduction observed.

² In calculating the coverage of loans referred to in this paragraph, the additional minimum capital requirements, calculated for the purposes of Prudential Supervision (so-called calendar provisioning), have not been taken into account; therefore, the percentages indicated refer solely to the adjustments recorded in the profit and loss account.

Customer financial assets under management

The year just ended confirms total customer deposits at €1,416.753 million, including the custodian bank activity for BAC Investments SG S.p.A. This represents an increase compared to the previous year, along with a shift in composition favoring managed savings products and administered assets.

The table below presents the financial assets held by customers. In contrast with what is required by BCSM Regulation no. 2016/02, the Managed Savings aggregate also includes investment funds of BAC Investments SG S.p.A., and insurance policies of BAC Life S.p.A., placed through the Parent Company's distribution network.

Customer deposits

DESCRIPTION	31/12/2024	31/12/2023	CHANGE		COMPOSITION	
			Absolute	%	31/12/2024	31/12/2023
A) Direct deposits	688.627.093	741.246.781	-52.619.688	-7,10%	100%	100%
Savings deposits	1.238.497	1.471.373	-232.876	-15,83%	0,18%	0,20%
Customers' euro and foreign currency accounts	431.335.383	415.817.239	15.518.144	3,73%	62,64%	56,10%
Repurchasing agreements	31.568.674	67.990.078	-36.421.404	-53,57%	4,58%	9,17%
Other funds	54.183.575	42.094.065	12.089.510	28,72%	7,87%	5,68%
Certificates of deposit	166.875.803	210.166.827	-43.291.024	-20,60%	24,23%	28,35%
Internal cheques	1.024.173	1.306.211	-282.038	-21,59%	0,15%	0,18%
Subordinate liabilities	2.400.988	2.400.988	-	-	0,35%	0,32%
B) Managed deposits (market value)	259.170.482	228.527.487	30.642.994	13,41%		
of which Cash	5.686.844	5.525.729	161.115	2,92%		
of which Subordinate Loans	-	-	-	-		
C) Administered deposits (market value)	465.456.335	379.705.232	85.751.103	22,58%		
of which BacInvestments SG funds	131.727.382	109.374.923	22.352.459	20,44%		
of which Subordinate Loans	2.395.000	2.395.000	-	-		
Total deposits	1.405.172.065	1.341.558.771	63.613.294	4,74%		

Direct deposits amounts to €688.627 million, showing a decrease of €52.619 million (-7.10%) compared to year-end 2023.

This decrease is due to the increase in yields offered by bond securities, which attracted savers away from traditional direct deposit products.

Among the components of direct funding is a subordinated bond issue maturing in 2025, reserved for professional clients and shareholders of the Parent Company BAC, amounting to €2.4 million. As required by regulations, this is also reported under indirect deposits, between Administered and Managed assets.

Indirect deposits, amounting to €724.626 million, including managed assets, recorded an increase of €116.394 million (+19.14%) compared to the 2023 figure of €608.232 million.

Shareholdings

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Absolute	%
Unconsolidated shareholdings	5.002.491	4.977.206	25.285	0,51%
Total shareholdings	5.002.491	4.977.206	25.285	0,51%

The companies subject to consolidation have been listed in the relevant paragraph of this Report and in the Explanatory Notes to the Financial Statements.

The value of shareholdings that are not included in the scope of consolidation, as they are held as minority interests, shows an increase of €0.025 million compared to the previous year. This is due to the acquisition of a stake in I.G.R.C. S.p.A., the master servicer of the system-wide securitization transaction, in early 2024, with a 10.08% ownership.

For further details on non-consolidated companies, please refer to Section 6 of the Explanatory Notes to the Financial Statements.

Reconciliation of the parent company's net equity and net income with the consolidated net equity

DESCRIPTION	Parent company equity	Reallocation of dividends from subsidiaries 2023	Reallocation of revaluation reserves	Reallocation of revaluation reserves reallocated to positive consolidation differences	Reversal of dividends 2023	Aggregation of profits/losses of subsidiaries	Amortisation of positive consolidation difference	Consolidated equity
Capital and reserves	94.015.246	-	-	-	-	-	-	94.705.577
Share capital – subscribed and paid-up shares	20.880.080	-	-	-	-	-	-	20.880.080
Statutory reserve	50.046.289	-	-	-	-	-	-	50.046.289
Extraordinary reserve	-	-	-	-	-	-	-	-
Share premium reserve	-	-	-	-	-	-	-	-
Treasury shares reserve	14.378	-	-	-	-	-	-	14.378
Other reserves	3.467.150	719.862	1.107.710	-	-	-	-	5.294.721
General financial risk fund	1.423.222	-	-	-	-	-	-	1.423.222
Revaluation reserves	18.184.127	-	-1.107.710	-29.531	-	-	-	17.046.887
Loss carried forward	-	-	-	-	-	-	-	-
Profit (loss) for the year	5.053.790	-	-	-	-719.862	581.817	-45.309	4.870.438
Total	99.069.036	-	-	-	-	-	-	99.576.014

The following table outlines the items comprising the consolidated shareholders' equity and net income, detailing the consolidation adjustments made from the Parent Company's equity and net income to the consolidated equity.

Share capital

The fully subscribed and paid-in share capital amounts to €20,880,080.00 divided into 803,080 shares with a nominal value of €26.00 each.

Treasury shares

The number of treasury shares is 553, with a nominal value of €14,378, corresponding to 0.07% of the subscribed capital. As required by current legislation, the Parent Company BAC has set aside a specific reserve fund of the same amount to match the value of the treasury shares held in the portfolio.

Risk management and supporting control methodologies

The Internal Control System (hereinafter also "ICS") consists of the set of rules, procedures, and organizational structures designed to ensure compliance with business strategies and the achievement of efficient and effective business processes, the safeguarding of asset value, the reliability and integrity of accounting and management information, and compliance of operations with all applicable laws and regulations.

The Parent Company has structured its internal control system to ensure that its activities are conducted with sound and prudent management and that risks are effectively managed, in line with the adopted strategies and policies. The system is designed to achieve corporate objectives in compliance with internal plans, procedures, and regulations, as well as with statutory and regulatory requirements.

In particular, the following functions are established within the Parent Company: **Internal Auditing**, which is responsible for assessing the completeness, adequacy, and functionality of the internal control system, and for reporting to the Board of Directors and the Head of the Executive Structure any potential improvements to risk management policies, measurement tools, and procedures. Internal Auditing also aims to safeguard the Group's assets and stability, and to provide "reasonable guarantee" that the organization can effectively achieve its objectives;

Risk Management, responsible for second-level controls in the area of risk management. It contributes to defining risk measurement methodologies, monitors compliance with limits assigned to various operating units, and verifies that operations across business areas are consistent with the assigned risk–return objectives. Risk Management maintains an overall view of all risks undertaken by the Bank and, more broadly, by the Group;

Compliance Officer, responsible for verifying the Parent Company's (and, where applicable, the subsidiaries') compliance with legal, statutory, and regulatory requirements, ensuring that internal regulations are aligned accordingly;

Anti-Money Laundering Officer, responsible for managing internal reports, conducting in-depth analyses, examining customer transactions to gather information relevant to the evaluation of such movements, and, when appropriate, forwarding cases to the Financial Intelligence Agency (AIF).

Significant events occurring after the end of the financial year

The year 2025 began with significant market volatility, attributed to the economic policies enacted by the United States. This instability was further heightened by the announcement of heavy customs tariffs by President Trump, elected in November 2024. These measures, followed by multiple shifts and adjustments, led international organizations to revise downward their growth estimates for the world's major economies, with the possibility of further adjustments due to ongoing uncertainty, further exacerbated by the military conflict between Israel and Iran and the subsequent U.S. intervention in June.

The decisions of the U.S. government, along with the resulting impact on the trade policies of the countries involved, could influence the monetary strategies adopted by central banks, potentially accelerating further reductions in interest rates.

The Group will continue to closely monitor market dynamics and is confident that the composition of its assets will enable it to navigate the current volatile environment without adverse consequences.

Business outlook

At the beginning of 2025, the Parent Company's Board of Directors approved the three-year Industrial Plan for 2025–2027, reaffirming the Bank's business model as a commercial institution deeply rooted in the territory, placing customers at the center of its activities. Customers will continue to be supported by relationship managers and specialized divisions in both the Corporate and Private sectors. The Group will continue to develop services offered in Managed Savings, Insurance, and more broadly in Wealth Protection, leveraging the specialization of product companies within the Banking Group's scope.

Forecasts for the period confirm the maintenance of adequate profitability profiles and strong capital solidity, enabling the Parent Company to effectively face the new regulatory impacts introduced by Regulation no. 2024-05 on investment financial services (albeit with various phase-ins), as well as to mitigate any negative effects arising from the current global market uncertainty. At the same time, preparatory activities will continue in anticipation of the entry into force of the Association Agreement with the EU, whose effective date has yet to be announced. This agreement will mark a significant turning point for the Group, bringing both major challenges and growth opportunities for the country and the financial system. The emerging direction is one of specialization, with promising prospects for banking services in the Tech and Fintech sectors. It will be essential to adopt a new cultural approach, in which human relationships continue to play a central role. At the same time, facing new challenges will require a focus on competitiveness, enhancing professional excellence, product innovation, and an effective pricing strategy.

San Marino, 26 June 2025

The Chairman of
the Board of Directors

03

Financial statements representation

Consolidated statement of assets and liabilities - Assets

CODE	ASSET ITEMS	31/12/2024	31/12/2023
10	Cash and cash equivalents with central banks and post offices	4.211.421	4.483.625
20	Treasury securities and other financial instruments eligible for refinancing with central banks	-	-
	a) Treasury securities and other similar financial instruments	-	-
	b) Other financial instruments eligible for refinancing with central banks	-	-
30	Loans to banks	119.276.310	163.984.085
	a) At sight	96.208.711	139.225.127
	b) Other receivables	23.067.599	24.758.958
40	Loans to customers	219.631.087	233.135.610
	a) At sight	75.418.660	78.915.179
	b) Other receivables	144.212.427	154.220.431
50	Bonds and other debt financial instruments	245.835.440	212.166.453
	a) Public issuers	83.352.015	36.840.140
	b) Bank issuers	39.109.368	66.583.611
	c) Financial firms other than banks	110.149.879	93.496.913
	d) Other issuers	13.224.178	15.245.789
60	Shares, stocks and other capital financial instruments	18.223.653	26.156.236
70	Unconsolidated shareholdings	5.002.491	4.977.205
	a) Measured at net equity	-	-
	b) Other	5.002.491	4.977.205
80	Unconsolidated shareholdings in group companies	-	-
	a) Measured at net equity	-	-
	b) Other	-	-
90	Technical reserves borne by reinsurers	-	-
100	Positive consolidation differences	407.778	275.846
110	Intangible fixed assets	2.644.569	2.770.251
	a) Financial leasing	317.140	370.353
	of which assets under construction	-	-
	b) Assets awaiting lease	-	-
	of which due to default by the tenant	-	-
	c) Assets available from debt collection	-	-
	of which assets available for credit extinction through a settlement agreement	-	-
	d) Goodwill	-	-
	e) Installation expenses	5.098	6.061
	f) Other intangible fixed assets	2.322.331	2.393.837
120	Tangible fixed assets	157.374.691	162.127.847
	a) Financial leasing	39.521.146	43.561.727
	of which assets under construction	567.568	191.806
	b) Assets awaiting lease	987	-
	of which due to default by the tenant	987	-
	c) Assets available from debt collection	88.851.187	89.728.688
	of which assets available for credit extinction through a settlement agreement	88.851.187	89.728.688
	d) Lands and buildings	27.962.897	27.983.684
	e) Other tangible fixed assets	1.038.474	853.748
130	Capital subscribed and not paid-in	-	-
	of which Called-up capital	-	-
140	Own shares or quotas	14.378	14.378
150	Other assets	343.613.685	340.515.204
160	Accrued income or prepaid expenses	1.260.372	1.518.452
	Accrued income	475.146	664.806
	Prepaid expenses	785.226	853.646
170	Total assets	1.117.495.875	1.152.125.192

Consolidated statement of assets and liabilities - Liabilities

CODE	LIABILITY ITEMS	31/12/2024	31/12/2023
10	Amounts due to Banks	5.275.248	4.372.755
	a) At sight	2.973.492	2.175.553
	b) Term or without notice	2.301.756	2.197.202
20	Amount due to customers	518.326.129	527.372.755
	a) At sight	432.709.564	417.288.612
	b) Term or without notice	85.616.565	110.084.143
30	Payables represented by financial instruments	166.875.803	210.166.827
	a) Bonds	-	-
	b) Certificates of deposit	166.875.803	210.166.827
	c) Other financial instruments	-	-
40	Other liabilities	87.332.537	94.558.457
	<i>of which Checks in circulation and similar securities</i>	<i>1.024.173</i>	<i>1.306.211</i>
50	Accrued expenses and deferred income	452.252	252.738
	a) Accrued expenses	-	43.869
	b) Deferred income	452.252	208.869
60	Severance	581.736	589.924
70	Provisions for risks and charges	2.056.106	1.941.388
	a) Provisions for pensions and similar obligations	-	-
	b) Tax reserves	597.999	151.081
	c) Consolidation fund for future risks and charges	-	249.399
	d) Other reserves	1.458.107	1.540.908
80	Provisions for credit risks	625.000	610.100
90	Technical reserves	233.955.742	215.608.395
100	Provision for general financial risks	1.423.222	1.423.222
110	Subordinate liabilities	2.400.988	2.400.922
120	Negative consolidation differences	-	-
130	Equity attributable to minority interests	38.319	63.055
140	Subscribed capital	20.880.080	20.880.080
150	Share premium reserve		-
160	Reserves	55.355.388	48.602.223
	a) Ordinary or legal reserve	50.046.289	46.936.389
	<i>of which Reserve in tax suspension</i>	<i>1.227.968</i>	<i>1.227.968</i>
	b) Reserve for own shares or quotas	14.378	14.378
	c) Statutory reserves	-	-
	d) Other reserves	5.294.721	1.651.456
170	Revaluation reserves	17.046.887	18.091.530
180	Retained earnings (losses) carried forward	-	-
190	Profit (loss) for the year	4.870.438	5.190.821
200	Total liabilities	1.117.495.875	1.152.125.192

Guarantees and commitments

CODE	ITEMS	31/12/2024	31/12/2023
10	Guarantees given	15.440.751	17.057.986
	of which a) Acceptances	-	-
	b) Other guarantees	15.440.751	17.057.986
20	Commitments	16.404.978	8.421.028
	of which a) For specific use	13.841.756	3.806.575
	of which Financial instruments	-	-
	b) For unspecific use	1.023.725	3.178.555
	of which Financial instruments	-	-
	c) Other commitments	1.539.497	1.435.898
	Total	31.845.729	25.479.014

Consolidated profit and loss account

CODE	PROFIT AND LOSS ACCOUNT ITEMS	31/12/2024	31/12/2023
10	Interest income and similar revenues	25.024.327	24.509.418
	a) On loans to credit institutions	3.961.120	3.394.150
	b) On loans to customers	14.025.841	15.379.745
	c) On debt securities	7.037.366	5.735.523
20	Interest expense and similar charges	10.081.016	7.848.231
	a) On amounts due to credit institutions	57.969	31.940
	b) On amounts due to customers	4.934.674	4.001.223
	c) On liabilities represented by financial instruments	5.088.373	3.815.068
	of which On subordinated liabilities	71.916	71.784
30	Dividends and other revenues	106.965	123.873
	a) On shares, quotas and other equity securities	106.965	123.873
	b) On shareholdings	-	-
	c) On shareholdings in group companies	-	-
40	Commission income	8.490.949	8.181.220
50	Commission expense	2.091.792	2.098.214
60	Profits (losses) on financial transactions (+/-)	530.934	1.296.459
70	Other operating income	11.897.092	13.044.549
80	Other overhead costs	72.230	21.442
90	Net premiums	29.682.108	29.375.783
100	Profit (loss) from insurance operations	-28.833.842	-28.070.078
110	Administrative expenses	15.134.363	14.793.442
	a) Personnel expenses	9.146.174	9.056.666
	of which - Wages and salaries	6.329.453	6.293.327
	- Social security charges	1.708.245	1.715.250
	- Severance	586.743	573.107
	- Pensions and similar obligations	-	-
	- Directors and auditors	362.248	385.918
	- Other personnel expenses	159.485	89.064
	b) Other administrative expenses	5.988.189	5.736.776
120	Value adjustments on intangible fixed assets	447.583	439.863
130	Value adjustments on tangible fixed assets	9.203.739	11.044.479
140	Provisions for risks and charges	595.351	828.514
150	Provisions for credit risks	14.900	-
160	Value adjustments on loans and on provisions for guarantees and commitments	6.431.238	6.825.030
170	Write-backs on loans and provisions for guarantees and commitments	2.029.189	2.018.713
180	Value adjustments on financial fixed assets	-	-
190	Write-backs on financial fixed assets	98.302	157.684
200	Profits (losses) of equity-accounted investments	-	-
210	Profit (loss) from ordinary activities	4.953.812	6.738.406
220	Extraordinary income	916.669	701.697
230	Extraordinary costs	413.568	657.998
240	Extraordinary profit (loss)	503.101	43.699
250	Use of the consolidation fund for future risks and charges	-	-
260	Taxes for the year	574.510	127.284
270	Change in the provision for general financial risks	-	-1.423.222
280	Profit (loss) for the year attributable to minority interests	11.965	40.778
290	Utile (perdita) dell'esercizio	4.870.438	5.190.821

04

Explanatory notes

Explanatory notes to the consolidated financial statements 31/12/2024

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Structure and content of the consolidated financial statements

This financial statement has been prepared in compliance with the provisions of Regulation no. 2016/02, concerning the preparation of corporate and consolidated financial statements by authorized entities, issued on August 31, 2016 by the Central Bank of the Republic of San Marino (BCSM), pursuant to Article 39 of Law no. 165 of November 17, 2005. The aforementioned regulation was amended by BCSM Regulation no. 2023/04, which introduced the mandatory preparation of the consolidated financial statements starting from the 2024 financial year.

In its preparation, particular attention was paid, both in form and content, to clarity, as well as to the truthful and accurate representation of the actual financial position, financial performance, and economic result of the Banca Agricola Commerciale S.p.A. Group. The valuation criteria established by current legislation were also applied.

The consolidated financial statement consists of the balance sheet, divided into assets, liabilities, guarantees and commitments, the income statement presented in a progressive format, and the notes to the financial statements. It is also accompanied by a consolidated management report and a consolidated audit report.

The statement of assets and liabilities as well as profit and loss account formats consist of items (identified by Arabic numerals), sub-items (identified by letters), and additional informational details (the "of which" breakdowns of items and sub-items). These items, sub-items, and related informational details form the accounts of the financial statements.

It is permitted to add new items, provided their content does not fall under any of the already specified items, and only if they are of material significance. Further details are provided in the Explanatory Notes to the Financial Statements.

The sub-items provided in the standard formats may be grouped together if either of the following conditions applies:

- a. The sub-items are of insignificant amount;
- b. The grouping enhances clarity of the financial statements, in this case, the Explanatory Notes to the Financial Statements must separately disclose the grouped sub-items.

For each balance sheet and income statement account, the amount from the previous year is also reported. If accounts are not comparable, the prior year's figures must be adjusted; any lack of comparability, adjustments, or impossibility of adjustments must be disclosed and commented on in the Explanatory Notes. The tables in the Notes to the Financial Statements show data for the current financial year alongside comparative data from the previous year.

In the balance sheet and income statement, even accounts showing a zero amount are listed, for both the current and the previous year.

If an asset or liability element falls under multiple balance sheet items, its relevance to the different items must be noted in the Explanatory Notes to the Financial Statements if necessary for understanding the financial statements.

The various items in the consolidated financial statement correspond to the accounting records of the companies included in the scope of consolidation, prepared in accordance with the administrative events that occurred during the year.

In general, there were no conditions requiring changes to the presentation of balance sheet items or to the related criteria compared to the previous financial year. Where such changes did occur, specifically in relation to shareholdings, detailed information has been provided in the analysis of the individual items.

Given that the preparation of consolidated financial statements became mandatory starting in 2024, a consolidated account situation for the previous financial year was also prepared for comparative purposes.

The consolidated financial statements and the Notes are presented in euros, rounded to whole units (no decimal figures).

Revenue and expenses are recognized in accordance with the accrual principle, regardless of the date of collection or payment, and in line with the principle of prudence. This latter principle is favored, provided it does not lead to the creation of undisclosed reserves.

To preserve the informational value of the consolidated financial data, and in keeping with the principles of truthfulness and clarity, offsetting of accounts has not been applied.

Impairment and depreciation of asset items are carried out exclusively through direct write-downs that reduce the value of those items.

Assets acquired in the name and on behalf of third parties are not reported in the financial statements.

Tables required by the Notes to the Financial Statements, as set out in Implementation Circular no. 2017/03 of BCSM Regulation no. 2016/02, are omitted from this document if they show zero values and are not relevant for illustrating stock or flow data related to the company's activities.

Scope of consolidation

In compliance with Regulation no. 2016/02, Article VII.II.2, paragraph 1, this financial statement includes, under the full consolidation method, the following companies, with the corresponding ownership percentages:

- BAC Life S.p.A., 100%;
- BAC Investments SG S.p.A., 100%;
- BAC Trustee S.p.A., 100%;
- BAC Real Estate S.p.A., 100%;
- San Marino Finanza e Previdenza S.r.l., 51%.

Meanwhile, pursuant to Article VII.II.8, paragraph 1, the following companies, with ownership stakes between 20% and 50%, are included in the scope of consolidation using the proportional method:

- Società Servizi Informatici Sammarinese (S.S.I.S. S.p.A.), 50%;
- NCO Immobiliare S.r.l., 50%;
- Centro Servizi S.r.l., 33,33%;
- S3-Special Servicer Sammarinese S.r.l., 33%.

Consolidation techniques may result in consolidation differences: Positive, when

the carrying value of the investment exceeds the corresponding share of net equity or Negative, when the investment value is lower than the corresponding share of net equity.

PART A - Accounting principles

Section 1 - Illustration of accounting principles

Balance sheet and off-balance sheet assets and liabilities are valued according to the principle of prudence and on a going concern basis.

Cash and cash equivalents (asset item 10 in the consolidated balance sheet)

This item includes legal tender currencies, including foreign banknotes and coins, money orders, cashier's and postal checks, equivalent securities, coupons, and instruments payable on demand. Also included are collectible coins and medals, as well as gold, silver, and revenue stamps.

Loans to Credit Institutions (asset item 30 in the consolidated balance sheet)

These represent all loans to banks, net of any write-downs, regardless of their technical form, except for those represented by financial instruments reported under item 50 "Bonds and other debt securities."

Included here are the amounts of reverse repurchase agreements and buy/sell back transactions in which the acquiring bank is required to resell the securities to the transferor Parent Company. The amount recorded corresponds to the spot purchase price. The transferred assets remain on the transferor's balance sheet.

Loans to customers (asset item 40 in the consolidated balance sheet)

This item includes loans arising from financing contracts with customers, in any technical form, provided that disbursement has actually occurred. Loans not yet disbursed, although recorded in contractual-date accounting systems, are not included under this item but rather under commitments. Loans represented by financial instruments are reported under item 50 "Bonds and other debt financial instruments".

Partial payments received for past-due or non-performing loans reduce the carrying amount of the loans. Advance payments received for loans not yet due are recorded under "due to customers" or "other liabilities", depending on whether they bear interest.

This item also includes receivables arising from finance lease agreements for lease payments due and not yet received and related receivables for interest on arrears.

"Loans to customers" include the equivalent value of carry-over and repurchase agreements, in which the customer is obliged to repurchase the securities sold to the bank at a future date. The amount recorded is equal to the price paid at the time of sale.

Loans are recorded in the financial statements at their estimated realizable value.

The following are the aggregates included in this item:

Non-performing loans: are a category of loans, regardless of the expectation or otherwise of possible losses, made to borrowers in a state of insolvency, even

if not legally ascertained, or in similar situations. This item represents the full exposure, including interest recorded and the expenses incurred for collection activities, adjusted by the portion of interest that is considered unrecoverable. Non-performing loans are valued analyzing the likelihood of their recovery on an analytical basis and calculating the relative presumed loss.

Probable defaults: These are credit exposures for which it is unlikely that, without resorting to actions such as enforcement of guarantees, the debtor will fully meet their credit obligations (in terms of principal and/or interest), regardless of any past due amounts. Therefore, it is not necessary to wait for explicit signs of default (such as missed payments), when there are indicators implying a risk of debtor default (e.g., a crisis in the debtor's industry). Within an exposure classified as "probable default," all cash and "off-balance sheet" exposures to the same debtor are included. For retail exposures, classification in this category is applied at the level of each credit line. Evaluation is generally carried out on an analytical basis.

Past due and/or overdue loans: These are exposures to customers with individual on-balance-sheet or off-balance-sheet credits overdue by more than 90 days, exceeding both of the following "materiality thresholds":

- a. €100 for retail exposures and €500 for non-retail exposures (absolute threshold);
- b. 5% of the total exposure to a counterparty (relative threshold).

The absolute threshold is calculated as the sum of all overdue credit obligations owed by the same debtor to the lender. The relative threshold is calculated as the ratio between the amount of overdue obligations and the total credit exposure to that debtor.

For such exposures, if the amount is small, a flat-rate impairment is applied. They are considered "of limited amount" if they meet the following significance thresholds:

- the value of the individual gross exposure is less than 0.5% of Regulatory Capital;
- the total value of gross exposures subject to flat-rate impairment is less than 5% of Regulatory Capital.

Otherwise, analytical impairment is applied.

Performing loans": represent loans for which there is no evidence of deterioration in the solvency of the debtors and which are subject to flat-rate write-downs. Flat-rate value adjustments are made on the basis of available information which makes it possible to appreciate the level of risk of the homogeneous category of loans considered, as well as its foreseeable evolution, and which take into account the risk historically latent in the loan portfolio. In determining these adjustments, any analytical write-downs already made with regard to individual positions are taken into account. Flat-rate write-downs are carried out on the basis of the historical series of substandard and non-performing loans and write-downs of the Bank's loan portfolio, by homogeneous category of debtor.

It should be noted that the taxonomy of loans described above was amended, effective 1 January 2024, with the issuance of CBSM Regulation 2023/02, which

in turn revised CBSM Regulation 2016/02, introducing the following three sub-categories for impaired credit exposures: "Non-performing," "Probable default," and "Past due and/or overdue." The sub-category "Unsecured loans to "at risk" countries" has been deleted, while the sub-categories of Substandard and Restructured loans have actually been brought under the sub-category: "Probable defaults."

Accordingly, the tables relating to loans for the previous year have been adjusted on a pro forma basis to facilitate comparability.

Bonds and other financial instruments (asset item 50 in the consolidated balance sheet)

The own securities portfolio is comprised of investment securities held for investment properties and trading securities held for treasury and trading.

This item shows all the financial debt instruments in the bank's portfolio, both long- and short-term, such as government securities, bonds, certificates of deposit and the other fixed or variable income financial instruments, which are index-linked on the basis of predetermined parameter (e.g., the interbank interest rate).

The securities include only reacquired and tradable securities issued by the bank itself.

The financial instruments in the investment portfolio and the trading portfolio are recorded in the assets for an amount that includes (excludes) the accrued portion of the negative (positive) differences between the purchase cost and the repayment value upon the maturity of the same financial instruments.

The valuation of non-fixed financial instruments, as required by Article IV.I.1 paragraph 3 of BCSM Regulation no. 2016/02, is based on the market value as of the balance sheet closing date.

The financial instruments are considered as financial fixed assets and therefore subject to the valuation rules pursuant to article III.II.3 of CBSM Regulation 2008-02, only if they are destined to stable investments by the bank.

More specifically:

- Long-term financial instruments represent a financial fixed asset and are made according to the parameters established by the management body. The final balance of investment securities was therefore valued at the weighted average cost, for instruments that had already been included in the investment portfolio the previous year, while their purchase cost was recorded for new acquisitions during the year.
- The accrued portion of the difference between the book value or purchase value and the lower/higher repayment value of the security is also recognized by recording it in the assets under item no. 50 "Bonds and other financial instruments" with respect to the value of each specific security. In the event of the lasting deterioration of the issuer's state of solvency, or the ability to repay the debt by the country of residence of the latter, investment securities are written down. Other write-downs may be recorded to take the following into account:
 - the relevant share prices of securities listed on regulated markets;
 - market trends, for other securities.

Write-downs made for impairment losses are reversed if the reasons for which they were made no longer apply.

- Financial instruments not held as fixed assets are held for trading or treasury needs; they are measured at "fair value" as specified in paragraph 5 of Article III.II.5 of CBSM Regulation 2016/02:
 - a. for listed financial instruments, the "fair value" or market value is represented by the listed value, i.e., the market value recognized as of the balance sheet date, resulting in the recognition of both capital loss and capital gain, as required by the new regulatory provisions that amended Article IV.I.1 paragraph 3 of BCSM Regulation 2016/02;
 - b. the market value of unlisted financial instruments is calculated on the basis of the value of similar listed and unlisted instruments, or, if the latter is not possible, on the basis of reasonable estimates;
 - c. the treasury shares held by the Bank are recorded at their par value.

The cost is calculated using the "average weighted rolling cost" formula on a daily basis, adjusted by the portion of the accrued net underwriting spread. Any losses or gains, limited to listed securities, which emerge from the comparison between the average rolling cost, as illustrated above, and the market value, are recorded in the profit and loss account.

Additional allocations to the fixed asset portfolio may be possible under specific regulatory interventions, for which adequate and comprehensive information is provided.

Shares, units and other equity financial instruments (asset item 60 in the consolidated balance sheet)

This item includes financial instruments of an equity nature, such as shares and units of collective investment schemes (CIS). These are valued at market price as of the balance sheet closing date, pursuant to Article IV.I.1 paragraph 3 of BCSM Regulation 2016/02, even if they are included in the investment portfolio.

Unconsolidated shareholdings (asset items 70 and 80 in the consolidated balance sheet)

Shareholdings in other companies that are neither controlled nor consolidated, and that qualify as financial fixed assets, are valued at purchase cost.

These shareholdings are written down in the event of a lasting deterioration in the issuer's condition and are reversed if the reasons for the impairment no longer apply.

Dividends paid by companies with the above characteristics are accounted for on a cash basis, meaning they are recognized in the period in which they are declared, which normally coincides with the period in which they are received.

Intangible fixed assets (asset item 110 in the consolidated balance sheet)

Intangible fixed assets are recorded in the balance sheet at cost, including accessory charges, and are amortized over a period not exceeding five years. For assets subject to rapid technological obsolescence, a three-year amortization period is applied.

The cost of intangible fixed assets is amortized each year through direct adjustments to the value of the assets, based on their remaining useful life, and in accordance with the tax depreciation rates set by Law no. 166/2013.

Tangible fixed assets (asset item 120 in the consolidated balance sheet)

Tangible fixed assets are recognized at purchase cost, inclusive of additional charges and any other incremental expenses.

Assets are depreciated systematically by directly adjusting their value using the rates established by the tax Law no. 166 of 16/12/2013, deemed appropriate and representative of the value corresponding to the residual useful life of the asset.

If assets demonstrate an impairment value which is lower than its cost, this is written down. Should the assumptions supporting the original write-down no longer subsist, write-downs made in previous periods are not maintained.

No depreciation is applied to non-instrumental assets returned to ownership following early termination of leasing contracts.

Financial lease transactions (leasing – asset item 110 and 120 in the consolidated balance sheet)

The amount of assets leased out (and those awaiting financial lease) is recorded under item 110 - Intangible Fixed Assets if the asset is intangible, or under item 120 - Tangible Fixed Assets if the asset is tangible.

Loans relative to financial lease transactions are calculated according to the financial methodology and are recorded in the assets as the algebraic balance obtained from the difference between the financed capital or historic cost of the asset and the relative accumulated depreciation; the latter increases thanks to the principal of the various instalments accrued. Furthermore, the instalments accrued during the year are entered under interest income and similar revenues for the part regarding the interest, and under other operating income for the part regarding the capital. At the same time, the bank reduces the value of the leased asset by the principal, posting a cost (equal to the principal) in the profit and loss account and directly reducing the value of the leased asset.

At year-end, the recognized cost is posted to item 120 "Value adjustments of intangible fixed assets" or item 130 "Value adjustments of tangible fixed assets," depending on the nature of the leased asset.

Assets and liabilities in foreign currency

Assets and liabilities in foreign currency, as well as off-balance-sheet transactions, are valued at the spot exchange rate in effect on the balance sheet closing date.

The difference between the current value of asset and liability items and off-balance-sheet transactions, and their respective book values, is recognized in the income statement under item 60 "Profits (losses) from financial transactions".

Amounts due to credit institutions (liability item 10 in the consolidated balance sheet)

This item shows all the amounts due to national or foreign banks whatever their technical form, except for those represented by bonds or other securities which require to be posted under liability item no. 30 and 110.

The amounts due to banks include the equivalent value of the financial instruments received by the selling bank as spot in repo and carry-over transactions for which the transferee bank is obliged to forward resale.

Amounts due to customers (liability item 20 in the consolidated balance sheet)

This item shows all the amounts due to customers whatever their technical form, except for those represented by financial instruments which require to be posted under liability item no. 30 or 110.

The amounts due to customers include the equivalent value of the financial instruments received by the selling bank as spot in repo and carry-over transactions for which the transferee customer is obliged to forward resale.

The above items are recorded at nominal value.

Payables represented by financial instruments (liability item 30 in the consolidated balance sheet)

In addition to bonds and certificates of deposit, the sub-item "other financial instruments" includes the Bank's own negotiable acceptances, as well as any atypical securities referred to in Article II.III.8 of BCSM Regulation no. 2007/07. Also included are debt financial instruments that, as of the balance sheet date, have matured but not yet been repaid.

It should be noted that in this financial statement, this item consists exclusively of issued certificates of deposit.

The spot value of repurchase agreements (repos) is reported under item 20 of liabilities, while the underlying securities are recorded under item 50 of assets - Bonds and Other Debt Securities. In fact, in repurchase agreements with a repurchase obligation, the transferring Parent Company retains ownership of the underlying assets, increases spot liquidity, and consequently records a certain liability to the transferee (as a liability, not as a commitment).

Other Assets - Other Liabilities (asset item 150 - liability item 40 in the consolidated balance sheet)

This section includes all assets and liabilities not attributable to other specific balance sheet items. It also includes any outstanding (debit or credit) balances of in-transit or suspense accounts not yet assigned to their appropriate accounts. The "Other Liabilities" also include payment instruments issued by the bank, such as cashier's checks.

Furthermore, this section includes non-interest-bearing cash deposits held with clearing organizations as collateral for derivative contracts (so-called margin deposits). It also includes any revaluations of off-balance sheet transactions involving financial instruments, currencies, interest rates, stock indices, or other assets, regardless of whether they are held for trading or hedging purposes.

The "Other Assets" item also includes Investments backing life insurance policyholders who bear the investment risk, including those related to pension fund management (see BCSM Regulation no. 2009/01 on insurance companies). These policies are linked to investment funds or market indices where the risk is borne by the policyholders. In addition to securities, this item also includes deposits, accrued income and prepaid expenses (both active and passive), relating to interest and commissions. These components are presented as a single value representing the investment of each individual contract, with matching technical reserves recorded under liabilities (thus excluding any risk to the insurance company).

Other financial investments, such as bond securities issued by top-rated issuers

held by BAC Life S.p.A., which, correspondingly, are matched under technical reserves on the liabilities side of the balance sheet, covering the policyholders.

Accruals and deferrals (asset item 160 and liability item 50 in the consolidated balance sheet)

These are recognized according to the same accrual principle also adopted for the recognition of all income and charges, the portions of interest income and expense and other income and expense.

Accruals and deferrals are indicated separately in the balance sheet under specific sub-items of assets and liabilities. The Bank adjusts the related balance sheet items directly, either increasing or decreasing them, with the corresponding accruals and deferrals.

Severance (liability item 60 in the consolidated balance sheet)

The personnel severance fund fully covers the seniority of all employees of this company accrued at year end.

Provisions for risks and charges (liability item 70 in the consolidated balance sheet)

These provisions are intended to cover only losses, charges or payables of a set nature, the existence of which is probable or certain, the amount or date of occurrence of which, however, could not be determined at the end of the financial year.

These funds are composed of:

- the provisions for taxes, comprising allocations made for direct current taxation. These represent a reasonable forecast of the tax charges for the period calculated on the basis of current tax legislation;
- the charity fund and religious and cultural initiatives;
- the provision for passive causes;
- the provision for outstanding charges.
- the consolidation fund for future risks and charges.

Provisions for risks on credits (liability item 80 in the consolidated balance sheet)

The provisions for credit risks include all the funds that are destined to cover only possible credit risks and therefore do not have an adjustment function. The provisions for risks on credits are made through specific allocations charged to the profit and loss account item no. 150 "Provisions for risks on credits" and not through the allocation of the profit for the year.

Technical reserves (liability item 90 in the consolidated balance sheet)

The technical reserves for contracts in the portfolio at the end of the financial year were calculated gross of reinsurance cessions and on the basis of the actuarial equivalence principle of future commitments.

The calculation formulas are those contained in the notes and technical reports kept by the insurance company BAC Life Spa.

All technical reserves in the financial statements were calculated individually for each contract, by year of effect, within each year of effect by tariff type, for all policies in force at the end of the financial year.

General financial risk fund (liability item 100)

It is intended to cover the general risk of the banking enterprise and, therefore, is in the nature of equity. The balance of any change is recorded in a specific item in the profit and loss account.

Reserves (liability item 160)

The ordinary reserve is funded through the capitalization of profits generated in previous years, as provided for by BCSM Regulation no. 2007/07. It also includes the tax-suspended reserve established by the Parent Company following the extraordinary reverse merger with Istituto Bancario Sammarinese S.p.A., which took place in November 2012.

Guarantees given (item 10)

All personal guarantees provided are listed, as well as assets transferred as collateral for own and third-party obligations.

Commitments (item 20)

This item includes all the irrevocable commitments of specific or unspecific use, which may lead to credit risks (e.g., the margins available on irrevocable credit lines granted to customers or banks).

The commitments arising from derivative contracts are valued on the basis of their notional value.

Interest, commissions, charges and income

Interest, commissions, charges and income are recorded on an accrual basis.

Deferred taxes

For the purposes of providing a true and fair view of the Group's actual financial position and results of operations, deferred taxation has been recognized. Deferred taxation is determined taking into account the tax effect of temporary differences between the carrying amount of assets and liabilities and their tax base, which will result in taxable and deductible amounts in future periods. For this purpose, "temporary differences" are those that will determine taxable amounts or deductible amounts in future periods. In particular, deferred tax assets are recognized when there is reasonable certainty of their recovery; deferred tax liabilities are recognized when it is probable that they will result in an actual expense. Deferred tax assets are recorded under "other assets," while deferred tax liabilities are recorded under "taxes and duties."

Section 2 – Value adjustments and provisions made in application of tax regulations

No value adjustments or provisions have been made in these financial statements exclusively in application of tax regulations.

PART B – Scope of consolidation

Scope of consolidation

Table 1.1: “Changes in the scope of consolidation”

In the 2024 financial year, the Parent Company increased its ownership share in NCO Immobiliare Srl from 33% to 50%.

Table 1.2: “Changes in Investments accounted for using the equity method”

Data not present.

Table 1.3: “Investments in group companies”

Company name	Registered office	Type of company	Type of relationship	Equity interest relationship		Voting rights availability %	Book value
				Subsidiary	Share %		
A. Companies included in consolidation							
A1. Full method							
1. BAC Life Spa	Via Tre Settembre n° 316 47891 Dogana RSM	Insurance company	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	6.785.630
2. BAC Investments SG Spa	Via Tre Settembre n° 316 47891 Dogana RSM	Other financial institutions	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	565.598
3. BAC Trustee Spa	Via Tre Settembre n° 316 47891 Dogana RSM	Other non-financial companies	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	211.614
4. BAC Real Estate Srl	Via Tre Settembre n° 316 47891 Dogana RSM	Other non-financial companies	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	261.742
5. San Marino Finanza e Previdenza Srl	Via Tre Settembre n° 316 47891 Dogana RSM	Other non-financial companies	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	51%	51%	27.429
A2. Proportional method							
Società Servizi Informatici Sammarinese S.S.I.S Spa	Strada Cardio, 22 47899 Serravalle RSM	Other non-financial companies	Other forms of control	Banca Agricola Commerciale Spa - Cassa di Risparmio della Repubblica di San Marino Spa	50%	50%	275.138
NCO Immobiliare Srl	Via III Settembre, 99 47891 Dogana RSM	Other non-financial companies	Other forms of control	Banca Agricola Commerciale Spa - Banca di San Marino Spa	50%	50%	177.703
Centro Servizi Srl	Via XXV Marzo, 58 47895 Domagnano RSM	Other non-financial companies	Other forms of control	Banca Agricola Commerciale Spa	33,33%	33,33%	333.333
S3 - Special Servicer Sammarinese Srl	Piazza Bertoldi, 8 47899 Serravalle RSM	Other financial institutions	Other forms of control	Banca Agricola Commerciale Spa	33%	33%	8.415

PART C – Information on the Statement of Assets and Liabilities

Information on the Statement of Assets and Liabilities – Assets

1. Cash and cash equivalents with central banks and post offices (asset item 10 in the consolidated balance sheet)

Table 1.1: Detail of item 10 “Cash and cash equivalents with central banks and post offices”

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Cash and cash equivalents:				
Vault cash	3.113.506	3.232.167	-118.662	-3,67%
Foreign currency Vault	217.509	71.307	146.202	205,03%
ATM	636.295	655.885	-19.590	-2,99%
Cheques in € / currency	208.047	488.628	-280.581	-57,42%
Other values	36.064	35.638	426	1,20%
Total	4.211.421	4.483.625	-272.204	-6,07%

2. Treasury securities and other financial instruments eligible for refinancing with central banks (item 20 in the consolidated balance sheet)

Table 2.1: detail of item 20 “Treasury securities and other financial instruments eligible for refinancing with central banks”

Data not present.

3. Loans to credit institutions (asset item 30 in the consolidated balance sheet)

Table 3.1: detail of item 30 "Loans to credit institutions"

DESCRIPTION	31/12/2024			31/12/2023			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight:	91.752.877	4.455.834	96.208.711	131.732.078	7.493.049	139.225.127	-43.016.416	-30,90%
A1. Reciprocal accounts opened for services rendered	86.134.585	-	86.134.585	124.370.024	-	124.370.024	-38.235.439	-30,74%
A2. Active current accounts	5.618.292	4.455.834	10.074.126	7.362.054	7.493.049	14.855.103	-4.780.977	-32,18%
A3. Others	-	-	-	-	-	-	-	-
B) Other receivables:	23.067.599	-	23.067.599	24.758.958	-	24.758.958	-1.691.359	-6,83%
B1. Fixed deposits	23.067.599	-	23.067.599	24.758.958	-	24.758.958	-1.691.359	-6,83%
B2. Active current accounts	-	-	-	-	-	-	-	-
B3. Repurchase agreement and active carryovers	-	-	-	-	-	-	-	-
B4. Others	-	-	-	-	-	-	-	-
Totale			119.276.310			163.984.085	-44.707.775	-27,26%

There was a decrease in demand deposits of €43,016,416 and in other receivables of €1,691,359, for a total of €44,707,775. The change reflects the Parent Company's management policies, in compliance with the liquidity risk safeguards defined in the current RAF (Risk Appetite Framework) Internal Regulations.

Item B1 "Term deposits" relates exclusively to the Parent Company and includes: the restricted deposit for the Mandatory Reserve, the restricted deposit for the contribution of the 2022/ 2023/2024 contributions to the Depositors' Guarantee Fund, the deposit guaranteeing the transfer to BCSM, additional term deposits held at two credit institutions to guarantee mutual contractual obligations (correspondingly, item 10 of the liabilities shows deposits held at BAC by the same credit institutions for the same amount) . Finally, term deposits include the Escrow account, set up to guarantee payments relating to senior securities deriving from the securitization of NPL loans pursuant to Law 157/2021 and subsequent amendments, completed in December 2023.

Table 3.2: situations of cash loans to credit institutions

CATEGORIES / VALUES	31/12/2024				31/12/2023			
	Gross exposure	Total value adjustments	Net exposure	Overall partial cancellations (*)	Gross exposure	Total value adjustments	Net exposure	Overall partial cancellations (*)
A) Impaired credit exposures	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
of which Deposits with central banks and demand deposits with other credit institutions	-	-	-	-	-	-	-	-
A1. Non-performing loans	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
A2. Probable defaults	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
A3. Past due and/or overdue	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
B) Performing credit exposures	119.276.310	-	119.276.310	-	163.984.085	-	163.984.085	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Past due and/or overdue	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
Total	119.276.310	-	119.276.310	-	163.984.085	-	163.984.085	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Past due and/or overdue	-	-	-	-	-	-	-	-
of which Arising from financial leasing operations	-	-	-	-	-	-	-	-

(*) Value to be displayed for disclosure purposes.

Table 3.3: dynamics of doubtful loans to credit institutions

DESCRIPTION	31/12/2024			
	Non-performing loans	Probable defaults	Past due and/or overdue	Performing loan exposures
A) Initial gross exposure	-	-	-	163.984.085
<i>of which For default interest</i>	-	-	-	-
B) Increase	-	-	-	2.548.074.851
B1. Inflows from performing credit exposures	-	-	-	-
B2. Inflows from other categories of impaired credit exposures	-	-	-	-
B3. Interest on arrears	-	-	-	-
B4. New concessions	-	-	-	-
B5. Other increases	-	-	-	2.548.074.851
C) Decrease	-	-	-	2.592.782.626
C1. Outflows to performing credit exposures	-	-	-	-
C2. Outflows to other categories of impaired credit exposures	-	-	-	-
C3. Write-offs	-	-	-	-
C4. Collections/repayments	-	-	-	-
C5. Realizations for disposals	-	-	-	-
C6. Other decreases	-	-	-	2.592.782.626
D) Final gross exposure as of 12/31/2024	-	-	-	119.276.310
<i>of which For interest on arrears</i>	-	-	-	-

Table 3.4: dynamics of total value adjustments of "Loans to credit institutions"

Data not present.

4. Loans to customers (item 40 in the consolidated balance sheet)

Table 4.1: breakdown of item 40 "Loans to customers"

DESCRIPTION	31/12/2024			31/12/2023			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight / revocation	74.660.459	758.201	75.418.660	78.081.506	833.673	78.915.179	-3.496.519	-4,43%
A1. Active current accounts	9.587.102	202	9.587.304	10.720.141	173	10.720.314	-1.133.010	-10,57%
A2. Others	65.073.357	757.999	65.831.356	67.361.365	833.500	68.194.865	-2.363.509	-3,47%
B) Other credits	143.935.860	276.567	144.212.427	154.220.431	-	154.220.431	-10.008.004	-6,49%
B1. Active current accounts	2.896.991	-	2.896.991	3.297.090	-	3.297.090	-400.099	-12,13%
B2. Discounted wallet and subject to collection	2.920.778	-	2.920.778	3.198.961	-	3.198.961	-278.183	-8,70%
B3. Repurchasing agreements and active carryovers	-	-	-	-	-	-	-	-
B4. Other financing	138.118.091	276.567	138.394.658	147.724.380	-	147.724.380	-9.329.722	-6,32%
Total	218.596.319	1.034.768	219.631.087	232.301.937	833.673	233.135.610	-13.504.523	-5,79%

Loans are reported at their estimated realizable value, that is, net of analytical and flat-rate impairments applied by the Bank, depending on their classification.

Table 4.2: guaranteed loans to customers

DESCRIPTION	31/12/2024		31/12/2023		CHANGE	
	In euro	In foreign currency	In euro	In foreign currency	Amount	%
A) From mortgages	81.295.184	-	82.412.215	-	-1.117.031	-1,36%
B) From pledge on	7.360.312	-	6.668.425	-	691.887	10,38%
B1. Cash deposits	2.216.198	-	2.382.579	-	-166.381	-6,98%
B2. Securities	1.169.216	-	1.009.862	-	159.354	15,78%
B3. Other values	3.974.898	-	3.275.984	-	698.914	21,33%
C) From guarantees of	110.797.904	-	122.880.188	-	-12.082.284	-9,83%
C1. Public administrations	26.784.038	-	31.052.216	-	-4.268.178	-13,75%
C2. Monetary financial institutions	-	-	-	-	-	-
C3. Investment funds other than money market funds	-	-	-	-	-	-
C4. Other financial institutions	-	-	-	-	-	-
C5. Insurance companies	-	-	-	-	-	-
C6. Pension funds	-	-	-	-	-	-
C7. Non-financial corporations	76.622.343	-	82.624.933	-	-6.002.590	-7,26%
C8. Families and non-profit institutions serving families	7.307.443	-	8.538.007	-	-1.230.564	-14,41%
C8.1. Consumer and producer families	7.307.443	-	8.538.007	-	-1.230.564	-14,41%
C8.2 Non-profit institutions serving families	-	-	-	-	-	-
C9 Others	84.080	-	665.032	-	-580.952	-87,36%
Total	199.453.400	-	211.960.828	-	-12.507.428	-5,90%

The table summarizes all types of secured loans expressed at net values. Analysis of the data shows that net loans secured by collateral and personal guarantees account for 76.87% of total net loans reported in Table 4.3 below; furthermore, 34.17% are secured by collateral (pledge or mortgage).

Table 4.3: situation of cash loans to customers

CATEGORIES / VALUES	31/12/2024				31/12/2023			
	Gross exposure	Total value adjustments	Net exposure	Overall partial cancellations (*)	Gross exposure	Total value adjustments	Net exposure	Overall partial cancellations (*)
A) Impaired credit exposures	41.742.700	9.586.215	32.156.485	13.206.984	46.507.520	12.367.023	34.140.497	12.233.437
of which Subject to concessionary measures	850.449	51.367	799.082	-	-	-	-	-
of which Arising from financial leasing transactions	10.358.955	736.814	9.622.141	-	-	-	8.636.208	-
A 1. Non-performing loans	15.600.028	4.838.902	10.761.126	5.367.002	17.775.197	6.844.256	10.930.941	4.393.455
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which arising from financial leasing transactions	2.334.696	179.117	2.155.579	-	3.067.890	821.452	2.246.438	-
A 2. Probable defaults	22.739.909	4.659.153	18.080.756	7.839.982	27.592.963	5.516.376	22.076.587	7.839.982
of which Subject to concessionary measures	850.449	51.367	799.082	-	-	-	-	-
of which Arising from financial leasing transactions	4.818.414	477.551	4.340.863	-	7.108.794	719.024	6.389.770	-
A 3. Overdue and/or in arrears	3.402.763	88.160	3.314.603	-	1.139.360	6.391	1.132.969	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	3.205.845	80.146	3.125.699	-	-	-	-	-
B) Performing credit exposures	228.760.592	1.446.717	227.313.875	-	244.127.985	1.200.792	242.927.193	-
of which Subject to concessionary measures	6.019.830	37.925	5.981.905	-	-	-	-	-
of which Past due and/or in arrears	15.168.963	95.565	15.073.398	-	62.526.067	306.377	62.219.690	-
of which Arising from financial leasing transactions	32.764.348	206.415	32.557.933	-	37.955.073	186.419	37.768.654	-
TOTAL	270.503.292	11.032.932	259.470.360	13.206.984	290.635.505	13.567.815	277.067.690	12.233.437
of which Subject to concession measures	6.870.279	89.292	6.780.987	-	-	-	-	-
of which Arising from financial leasing operations	43.123.303	943.229	42.180.074	-	48.525.216	1.728.384	46.796.832	-

(*) Value to be displayed for disclosure purposes.

The table in question includes, together with traditional customer receivables, receivables arising from financial leasing activities. It therefore expresses the sum of balance sheet items 40 – “Loans to customers,” 100 “a) - of which intangible financial leases” and 110 “b) - of which assets awaiting lease,” 120 “a) - of which tangible financial leases” and 120 “b) - of which tangible assets awaiting lease.”

Nevertheless, the residual debt of fixed assets subject to leasing contracts, expressed net of the related depreciation reserves, remains accounted for under tangible and intangible fixed assets. Financial lease receivables classified as non-performing consist of two main elements: the receivable related to past due and unpaid installments, included in the balance of the items in Table 4.1, and

the residual principal debt which, although attributable to the underlying non-performing loan, remains recorded in the financial statements, pursuant to Law No. 115 of 19/11/2001, under the item "Fixed assets under finance leases," in the sub-item "assets awaiting finance lease due to lease termination."

For the calculation of the net value of receivables, and therefore of the presumed impairment losses, please refer to the valuation criteria set out in these Notes to the Financial Statements.

It should be noted that in the previous financial year, the Parent Company participated in the securitization of the system completed in December 2023, governed by Law No. 157/2021.

The Parent Company sold a stock of non-performing loans for a net sale value of €17.669 million, for which the System Vehicle issued senior, mezzanine, and junior securities, the latter two subscribed by BAC itself. For details, please refer to Table 5.1 below.

Cash receivables from customers, as part of the system securitization transaction, include the subordinated loan to Veicolo di Sistema for €1.044 million.

Table 4.4: dynamics of doubtful loans to customers

REASONS / CATEGORIES	31/12/2024			
	Impaired credit exposures			Performing loan exposures
	Non-performing loans	Probable defaults	Past due/overdue loans	
A) Initial gross exposure	17.775.197	27.592.963	1.139.360	244.127.985
of which For interest on arrears	62.680	365.431	60	-
B) Increases	2.033.599	57.509.817	4.489.134	640.335.347
B1. Inflows from performing credit exposures	47.384	10.785.380	3.871.544	-
B2. Inflows from other categories of impaired credit exposures	1.778.948	708.847	24.701	6.648.712
B3. Interest on arrears	5.412	28.251	10.104	25.714
B4. New concessions	-	1.809.936	-	50.650.410
B5. Other increases	201.855	44.177.403	582.785	583.010.511
C) Decreases	4.208.768	62.362.871	2.225.731	655.702.740
C1. Outflows to performing credit exposures	-	6.603.050	45.663	-
C2. Outflows to other categories of impaired credit exposures	-	1.803.187	709.310	14.704.307
C3. Write-offs	2.234.170	240.349	-	1.786
C4. Collections/reimbursements	1.008.479	28.076.910	1.460.481	572.837.025
C5. Realizations for disposals	731.250	-	-	-
C6. Other decreases	234.869	25.639.375	10.277	68.159.622
D) Final gross exposure as of 31/12/2024	15.600.028	22.739.909	3.402.763	228.760.592
of which For interest on arrears	51.058	356.386	114	-

The impaired credit exposures, which decreased by €4,764,820 during the financial year, with an NPL ratio of 12.39% (compared to 12.32% in 2023), demonstrate the effectiveness of both the credit monitoring activities towards

customers and the recovery efforts on impaired loans.

The credit adjustment fund, amounting to €11,032,932 and supported by provisions, revaluations, and utilizations during the year, ensures an accounting coverage ratio of 22.97% for impaired positions. For total customer loans, the overall coverage stands at 4.08% of gross loans, of which 0.63% pertains to performing loans³.

Table 4.5: dynamics of total value adjustments of loans to customers

REASONS / CATEGORIES	31/12/2024			
	Impaired credit exposures			Performing loan exposures
	Non-performing loans	Probable defaults	Past due/overdue loans	
A) Initial total value adjustments	6.844.256	5.516.376	6.391	1.200.792
B) Incremental changes	454.100	1.190.709	92.222	1.053.918
B1. Value adjustments	229.945	1.122.981	68.211	428.402
<i>of which For interest on arrears</i>	5.412	-	-	-
B2. Utilizations of loan loss provisions	-	-	-	-
B3. Transfers from other categories of credit exposure	224.155	67.728	24.011	625.516
B4. Other changes in increases	-	-	-	-
C) Changes in decreases	2.459.454	2.047.932	10.453	807.993
C1. Reversals of valuation adjustments	43.211	836.614	5.733	721.355
<i>of which For interest on arrears</i>	-	-	-	-
C2. Writebacks from collection	175.315	117.567	79	1.512
<i>of which For interest on arrears</i>	-	-	-	-
C3. Cancellations	2.234.170	241.543	-	66
C4. Transfers to other categories of credit exposure	-	852.208	4.451	84.893
C5. Other decreases	6.758	-	190	167
D) Final total value adjustments as of 31/12/2024	4.838.902	4.659.153	88.160	1.446.717
<i>of which For interest on arrears</i>	51.058	-	-	-

³ In calculating credit coverage, the additional minimum capital requirements determined by the Parent Company for Prudential Supervision purposes (so-called Calendar Provisioning) were not taken into account; therefore, the indicated percentages refer solely to the adjustments recorded in the profit and loss account.

Table 4.6: breakdown of "Loans to customers" (net values) by economic sector

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Public administrations	2.066.330	4.253.972	-2.187.642	-51,43%
B) Financial companies other than credit institutions	3.097.542	3.646.024	-548.482	-15,04%
- Monetary financial institutions	-	-	-	-
- Investment funds other than monetary market funds	-	-	-	-
- Other financial institutions	3.097.333	3.644.696	-547.363	-15,02%
- Insurance companies	209	1.328	-1.119	-84,26%
- Pension funds	-	-	-	-
C) Non-financial companies	171.082.408	179.208.301	-8.125.893	-4,53%
of which Subjects canceled from the register of authorized subjects	-	2.998	-2.998	-100,00%
- Industry	81.909.757	85.062.939	-3.153.182	-3,71%
- Construction	6.506.572	7.933.483	-1.426.911	-17,99%
- Services	82.538.373	85.883.147	-3.344.774	-3,89%
- Other non-financial companies	127.706	328.732	-201.026	-61,15%
D) Families and non-profit institutions serving families	83.224.080	89.959.393	-6.735.313	-7,49%
- Consumer and producer families	77.687.918	84.280.152	-6.592.234	-7,82%
- Non-profit institutions serving families	5.536.162	5.679.241	-143.079	-2,52%
E) Other	-	-	-	-
Total	259.470.360	277.067.690	-17.597.330	-6,35%

5. Bonds and other debt financial instruments and Shares, accrued and other capital financial instruments (asset items 50-60 in the consolidated balance sheet)

Table 5.1: breakdown of investment and trading financial instruments

ITEMS /VALUES	31/12/2024	
	Fixed assets	Non fixed assets
Bonds and other debt financial instruments:	153.369.312	92.466.128
a) Of public issuers	26.031.008	57.321.007
b) Credit institutions	37.060.631	2.048.737
c) Financial companies other than credit institutions	82.390.549	27.759.330
d) Other issuers	7.887.124	5.337.054
Shares stocks and other capital financial instruments	1.336.662	16.886.991
a) Other Closed-End Funds	1.336.662	7.508.991
b) Other Equity Securities	-	407.220
c) CIS (Collective Investment Scheme)	-	8.970.780
Total	154.705.974	109.353.119
<i>of which Unavailable for repurchase agreements with retrocession obligation</i>	31.341.927	-

The non-investment securities included under the item "Bonds and other debt financial instruments" are recorded at their market value as of the balance sheet date, in accordance with the valuation criteria set forth in Art. IV.I.1, paragraph 3, of BCSM Regulation no. 2016/02, as detailed in the relevant section of this Explanatory Notes.

As already described with reference to Table 4.3 on loans to customers, following the completion of the system-wide securitization transaction, the Parent Company subscribed on 14/12/2023 to an ABS Junior tranche with a nominal value of €7,034,980 and an ABS Mezzanine tranche with a nominal value of €4,376,188. Both were included in the investment portfolio at a subscription price of 100. The ABS Senior tranche, with a nominal value of €6,368,692, was placed on the money market. In accordance with the Transaction Program and the applicable legislation, part of the proceeds from the sale of the ABS Senior tranche was allocated as collateral for the transaction.

Within the context of the securitization operation, the San Marino banks, also on behalf of the non-bank originators, undertook to provide the Master and Special Servicer with the financial resources needed to meet obligations related to the payment of Mezzanine Costs. Consequently, during the year, the non-bank originators exchanged Junior notes for Mezzanine notes with the banks. For BAC, this transaction resulted in an increase in Mezzanine securities, bearing higher payment priority, and a decrease in Junior securities, for a total of €1.26 million.

For certain structured and high-yield bonds held in both the investment and non-investment portfolios, the Parent Company commissioned leading independent consulting firms to assess their fair value as of 31 December 2024.

The item "Shares, units and other equity instruments" includes the following for investment securities:

- the Green Arrow Private Debt Fund, valued at Net Asset Value (market value).

The item "Shares, units and other equity instruments" includes the following for non-investment securities:

- Units of the San Marino-registered Loan Management Fund and Fondo Odisseo, originating from past system rescue operations, adjusted to the NAV as of 31/12/2024. Completion of the aforementioned securitization transaction, which also involved these funds, led to the replacement of the underlying loans with ABS Mezzanine and Junior securities. The remaining assets of the funds, consisting of San Marino government bonds, were distributed to the fund participants. As a result of this operation, the Parent Company was allocated SAN MARINO 1% 22/32, SAN MARINO 1.5% 23/37, and SAN MARINO 1.75% 23/42 bonds, for a total value of €7,121,403, which were added to the investment securities portfolio. This corresponded to a reduction in the amount of fund units held, which are expected to be fully liquidated by the end of 2025.
- Units of collective investment schemes and shares, also valued at their market price as of the balance sheet date.

Table 5.2: breakdown of "investment financial instruments"

ITEMS / VALUES	31/12/2024			31/12/2023		
	Purchase price	Book value	Fair Value	purchase price	Book value	Fair Value
1. Financial debt instruments	152.244.956	153.369.313	142.930.963	151.936.312	153.049.801	141.432.154
1.1 Bonds	152.244.956	153.369.313	142.930.963	151.936.312	153.049.801	141.432.154
- Listed	43.048.713	43.227.645	40.236.141	49.803.069	49.933.935	45.356.172
- Not listed	109.196.243	110.141.668	102.694.822	102.133.243	103.115.866	96.075.982
1.2 Other financial debt instruments	-	-	-	-	-	-
- Listed	-	-	-	-	-	-
- Not listed	-	-	-	-	-	-
2. Equity financial instruments	7.442.554	1.336.661	1.336.661	7.442.554	3.032.405	3.032.405
- Listed	-	-	-	-	-	-
- Not listed	7.442.554	1.336.661	1.336.661	7.442.554	3.032.405	3.032.405
Total	159.687.510	154.705.974	144.267.624	159.378.865	156.082.206	144.464.559

The discrepancies between the book values and market quotations, referring to investments that are by nature intended to be held to maturity, are expected to be offset by the redemption value, based on the current assessment of the issuer's credit risk. Therefore, in the absence of further indications of a deterioration in asset quality, these are not considered to represent permanent losses in value. The investment portfolio under discussion includes a quoted subordinated debt security issued by a leading international banking institution, with a book value of €4,176,218.

Table 5.3: annual changes in investment financial instruments

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	156.082.206	154.572.880
Increases	8.697.481	13.373.070
1. Purchases	8.323.850	12.431.168
<i>of which Debt financial instruments</i>	<i>8.323.850</i>	<i>12.431.168</i>
2. Value recoveries	98.302	157.684
3. Transfers from the investment portfolio	-	-
4. Other increases	275.329	784.218
Decreases	10.073.713	11.863.744
1. Sales	1.260.850	-
<i>of which Debt financial instruments</i>	<i>1.260.850</i>	-
2. Refunds	8.492.530	10.266.190
<i>of which Debt financial instruments</i>	<i>6.698.485</i>	<i>10.266.190</i>
3. Value adjustments	-	-
<i>of which Lasting devaluations</i>	-	-
4. Transfers to the investment portfolio	-	-
5. Other decreases	320.333	1.597.554
Closing balance	154.705.974	156.082.206

It should be noted that the items "Purchases" and "Sales" include the exchange transactions involving the Mezzanine and Junior securities, as well as the allocation of San Marino government bonds resulting from the distribution of part of the assets of the Loan Management and Odisseo Funds, transactions already referenced in Table 5.1.

The other changes, both increases and decreases, reflect, on a net basis, the amortised discounts and accruals, where applicable.

Table 5.4: breakdown of "Trading financial instruments"

ITEMS / VALUES	31/12/2024	31/12/2023
	Fair value	Fair value
1. Financial debt instruments	92.466.128	59.116.652
1.1 Bonds	92.466.128	59.116.652
- Listed	62.197.861	22.802.256
- Not listed	30.268.267	36.314.396
1.2 Other financial debt instruments	-	-
- Listed	-	-
- Not listed	-	-
2. Equity financial instruments	16.886.991	23.123.831
- Listed	-	-
- Not listed	16.886.991	23.123.831
Total	109.353.119	82.240.483

Table 5.5: annual changes in "trading financial instruments"

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	82.240.483	81.288.074
Increases	323.430.407	72.758.060
1. Purchases	319.150.190	68.162.855
<i>of which Debt financial instruments</i>	313.598.304	55.441.402
<i>of which Equity financial instruments</i>	5.551.887	12.721.453
2. Value recoveries and revaluations	684.728	3.234.533
3. Transfers from the investment portfolio	-	-
4. Other increases	3.595.489	1.360.672
Decreases	296.317.771	71.805.651
1. Sales and refunds	292.419.452	68.902.514
<i>of which Debt financial instruments</i>	269.385.353	38.723.495
<i>of which Equity financial instruments</i>	21.020.754	30.179.019
2. Value adjustments and write-downs	3.147.986	2.436.727
3. Transfers to the investment portfolio	-	-
4. Other decreases	750.333	466.410
Closing balance	109.353.119	82.240.483

6. Unconsolidated equity investments and unconsolidated investments in group companies (items: 70–80 of consolidated assets)

Table 6.1: breakdown of item 70 "Unconsolidated equity investments" and item 80 "Unconsolidated investments in group companies" by valuation method

COMPANY NAME	Legal status	Registered office	Activities carried out	Share capital	Net equity*	Profit/Loss	Share capital %	Book value (B)	Fair value	Share of net equity (B)	Comparisons (A-B)
A2. Unconsolidated shareholdings - Others											
BKN301	S.p.a.	Via III Settembre,99 47891 Dogana RSM	Other financial institutions	4.528.361	12.591.205	25.818	19,22%	916.932	-	2.420.030	1.503.098
IGRC	S.p.a.	Piazza Bertoldi,8 47899 Serravalle RSM	Other financial institutions	248.000	264.039	39	10,08%	25.000	-	26.615	1.615
Banca Centrale della Repubblica di San Marino	S.p.a.	Via del Voltone, 120 47890 San Marino RSM	Banking activities	12.911.425	52.955.509	-	5,00%	4.059.241	-	2.647.775	-1.411.466
Agenzia per lo sviluppo economico - Camera di Commercio	S.p.a.	Strada di Paderna, 2 47895 Domagnano RSM	Services	77.466	10.051.222	779.491	1,33%	1.033	-	133.681	132.648
Bancomat	S.p.a.	Via Vittorio Veneto, 54b 00187 Roma	Other financial institutions	36.917.523	105.895.629	3.825.171	-	285	-	847	562
B. Unconsolidated shareholdings in group companies											

All investments in Group companies have been included within the scope of consolidation.

Among the unconsolidated companies, valued at purchase cost, the following shareholdings are recorded:

- BKN S.p.A., with a 19.22% stake;
- I.G.R.C. S.p.A., Master Servicer of the system-wide securitization operation, with a 10.08% stake;
- Central Bank of the Republic of San Marino S.p.A., with a 5% stake;
- Agency for Economic Development – Chamber of Commerce S.p.A., with a 1.33% stake.

Regarding the difference between the book value and the corresponding share of equity, for the investments in the Central Bank of the Republic of San Marino S.p.A. and in IGRC S.p.A., there are currently no indications suggesting that these differences constitute permanent impairments in value.

Table 6.2: breakdown of item 70 "Unconsolidated shareholdings

ITEMS / VALUES	31/12/2024			31/12/2023		
	Purchase price	Book value	Fair Value	Purchase price	Book value	Fair Value
In credit institutions	645.571	4.059.241	-	645.571	4.059.241	-
- Listed	-	-	-	-	-	-
- Not listed	645.571	4.059.241	-	645.571	4.059.241	-
In other financial firms	942.217	942.217	-	916.931	916.931	-
- Listed	-	-	-	-	-	-
- Not listed	942.217	942.217	-	916.931	916.931	-
Others	1.033	1.033	-	1.033	1.033	-
- Listed	-	-	-	-	-	-
- Not listed	1.033	1.033	-	1.033	1.033	-
Total	1.588.821	5.002.491	-	1.563.535	4.977.205	-

Table 6.3: breakdown of item 80 "Unconsolidated shareholdings in group companies"

Data not present.

Table 6.4: annual changes in item 70 "Unconsolidated shareholdings"

DESCRIPTION	31/12/2024
A) Opening balance	4.977.205
B) Increases	25.286
B1. Purchases	25.000
B2. Value recoveries	-
B3. Revaluations	-
B4. Increases from application of the equity method	-
B5. Other increases	286
C) Decreases	-
C1. Sales	-
C2. Value adjustments	-
<i>of which Lasting devaluations</i>	-
C3. Decreases from application of the equity method	-
C4. Other decreases	-
D) Closing balance	5.002.491
E) Total revaluations	-
F) Total adjustments	-

Table 6.5: annual changes in item 80 "Unconsolidated shareholdings in group companies"

Data not present.

Table 6.6: unconsolidated assets and liabilities to investee companies (item 70)

DESCRIPTION	31/12/2024
Assets	94.390.978
- Loans to credit institutions	89.075.574
<i>of which Subordinates</i>	-
<i>of which Associated companies</i>	-
<i>of which Subordinates</i>	-
- Loans to other financial companies	5.315.404
<i>of which Subordinates</i>	-
<i>of which Associated companies</i>	5.205.174
<i>of which Subordinates</i>	-
- Loans to other companies	-
<i>of which Subordinates</i>	-
<i>of which Associated companies</i>	-
<i>of which Subordinates</i>	-
- Bonds and other debt financial instruments	-
<i>of which Subordinates</i>	-
<i>of which Associated companies</i>	-
<i>of which Subordinates</i>	-
Liabilities	7.070
- Amounts due to credit institutions	-
<i>of which Associated companies</i>	-
- Amounts due to other companies	7.070
<i>of which Associated companies</i>	327
- Payables represented by financial instruments	-
<i>of which Associated companies</i>	-
- Subordinate liabilities	-
<i>of which Associated companies</i>	-
Guarantees and commitments	-
- Guarantees given	-
- Commitments	-

"Loans to credit institutions" are represented by relationships with the Central Bank of the Republic of San Marino, including the mandatory reserve deposit (ROB), the Deposit Guarantee Fund, and the Escrow Account established in 2023 to guarantee payments related to the Senior securities resulting from the securitization. The item "loans to other financial companies, including to affiliated companies" refers to receivables from the investee BKN301 Spa. Among the liabilities are the current account balances opened with BKN301 Spa and Camera di Commercio Spa.

Table 6.7: unconsolidated assets and liabilities with investee companies belonging to the group (item 80)

Data not present.

7. Technical reserves borne by reinsurers (item 90 of consolidated assets)

Table 7.1: breakdown of item 90 "Technical reserves borne by reinsurers"

Data not present.

8. Differenze positive di consolidamento (voce 100 dell'attivo consolidato)

COMPANY NAME	31/12/2023	Changes during the year	Amortisation for the year	31/12/2024
A) Positive consolidation differences from consolidated companies				
A1. Centro Servizi srl	112.155	-10.697	-10.146	91.313
A2. NCO Immobiliare srl	-	249.458	-24.946	224.513
A3. Società Servizi Informatici Sammarinese S.S.I.S Spa	163.691	-61.521	-10.217	91.953
B) Positive consolidation differences from companies measured using the equity method				
Total	275.846	177.241	-45.309	407.778

The positive consolidation differences, arising from the above-mentioned investees, have been offset against the revaluation reserves attributable to them; for the remaining balances, amortization was carried out at a rate of 10% per year, as provided for by BCSM Regulation no. 2016/02, Article III.II.2, paragraph 2.

9. Intangible fixed assets (item 110 of consolidated assets)

Table 9.1: description and movements of item 110 "Intangible fixed assets"

ANNUAL CHANGES	31/12/2024	Financial leasing	of which assets under construction	Assets awaiting lease termination	of which due to default by the tenant	Assets available from debt collection	of which assets available for credit extinction by means of a settlement agreement	Goodwill	Capital expenditure	Other intangible fixed assets
A. Opening balance	2.770.251	370.353	-	-	-	-	-	-	6.061	2.393.837
B. Increase	276.913	95	-	-	-	-	-	-	1.044	275.774
B1. Purchases	269.351	-	-	-	-	-	-	-	-	269.351
B2. Value recoveries	-	-	-	-	-	-	-	-	-	-
of which By creditworthiness	-	-	-	-	-	-	-	-	-	-
B3. Revaluations	-	-	-	-	-	-	-	-	-	-
B4. Other increases	7.562	95	-	-	-	-	-	-	1.044	6.423
C. Decreases	402.595	53.308	-	-	-	-	-	-	2.007	347.280
C1. Sales	-	-	-	-	-	-	-	-	-	-
C2. Value adjustments	402.462	53.175	-	-	-	-	-	-	2.007	347.280
of which Depreciation and amortization	402.275	52.988	-	-	-	-	-	-	2.007	347.280
of which Lasting devaluations	-	-	-	-	-	-	-	-	-	-
of which By creditworthiness	187	187	-	-	-	-	-	-	-	-
C3. Other decreases	133	133	-	-	-	-	-	-	-	-
D. Closing balance	2.644.569	317.140	-	-	-	-	-	-	5.098	2.322.331

Other intangible fixed assets consist of expenses for: software purchases, improvements to third-party real estate, studies and research, various multi-year costs, and concession rights. Software is valued at cost, including all related expenses for analysis, installation, and training. Furthermore, any fully amortized intangible fixed assets are written off from the accounts by reducing both the asset value and the corresponding provision. Amortization rates have been calculated based on the remaining useful life.

Table 9.2: breakdown of item 110 "Intangible fixed assets"

ITEMS / VALUES	31/12/2024			31/12/2023		
	Purchase price / Production cost	Book value	Fair Value	Purchase price / Production cost	Book value	Fair Value
A) Financial leasing	564.524	317.140	-	564.524	370.353	-
<i>of which Assets under construction</i>	-	-	-	-	-	-
B) Assets awaiting lease termination	-	-	-	-	-	-
<i>of which Due to default by the tenant</i>	-	-	-	-	-	-
C) Assets available from debt collection	-	-	-	-	-	-
<i>of which Assets available for credit extinction by means of a settlement agreement</i>	-	-	-	-	-	-
D) Goodwill	-	-	-	-	-	-
E) Start-up costs	10.033	5.098	-	10.033	6.061	-
F) Other intangible fixed assets	4.174.280	2.322.331	-	4.162.544	2.393.837	-
Total	4.748.837	2.644.569	-	4.737.101	2.770.251	-

10. Tangible fixed assets (item 120 of consolidated assets)

Table 10.1: movements and description of item 120 "Tangible fixed assets"

ANNUAL CHANGES	31/12/2024	Financial leasing	<i>of which assets under construction</i>	Assets awaiting lease termination	<i>of which due to default by the tenant</i>	Assets available from debt collection	<i>of which assets available for credit extinction by means of a settlement agreement</i>	Lands and buildings	Other intangible fixed assets
A) Opening balance	162.127.847	43.561.727	191.806	-	-	89.728.688	89.728.688	27.983.684	853.748
B) Increase	15.062.448	11.317.792	2.121.833	84.902	84.902	803.102	803.102	2.365.718	490.933
B1. Purchases	12.517.258	10.386.596	1.672.083	84.902	84.902	634.866	634.866	920.000	490.894
B2. Value recovery	-	-	-	-	-	-	-	-	-
<i>of which By creditworthiness</i>	-	-	-	-	-	-	-	-	-
B3. Revaluations	-	-	-	-	-	-	-	-	-
B4. Other increases	2.545.190	931.196	449.750	-	-	168.236	168.236	1.445.718	39
C) Decreases	19.815.604	15.358.373	1.746.071	83.915	83.915	1.680.603	1.680.603	2.386.505	306.207
C1. Sales	8.023.553	5.242.669	-	1.075	1.075	1.600.206	1.600.206	1.179.603	-
C2. Value adjustments	9.723.261	8.160.974	2.654	6.920	6.920	57.800	57.800	1.192.646	304.921
<i>of which Depreciation and amortization</i>	9.571.230	8.077.119	-	-	-	-	-	1.192.646	301.464
<i>of which Lasting devaluations</i>	67.864	-	-	6.607	6.607	57.800	57.800	-	3.457
<i>of which By creditworthiness</i>	84.168	83.855	2.654	313	313	-	-	-	-
C3. Other decreases	2.068.789	1.954.730	1.743.417	75.920	75.920	22.597	22.597	14.256	1.286
D. Closing balance	157.374.691	39.521.146	567.568	987	987	88.851.187	88.851.187	27.962.897	1.038.474

Item B4 "other changes," referring to "land and buildings," reflects the increase in the ownership percentage of the investee NCO Immobiliare Srl from 29% to 50%, which took place in 2024.

Table 10.2: breakdown of item 120 "Tangible fixed assets"

ITEMS / VALUES	31/12/2024			31/12/2023		
	Purchase price / Production cost	Book value	Fair value	Purchase price / Production cost	Book value	Fair value
A) Financial leasing	106.750.480	39.521.146	-	106.750.480	43.561.727	-
<i>of which Assets under construction</i>	2.314.583	567.568	-	2.314.583	191.806	-
B) Assets awaiting lease termination	-	987	-	-	-	-
<i>of which Due to default by the tenant</i>	-	987	-	-	-	-
C) Assets available from debt collection	-	88.851.187	-	-	89.728.688	-
<i>of which Assets available for credit extinction by means of a settlement agreement</i>	-	88.851.187	-	-	89.728.688	-
D) Lands and buildings	46.734.266	27.962.897	-	46.734.266	27.983.684	-
E) Other tangible fixed assets	3.448.544	1.038.474	-	3.448.544	853.748	-
Total	156.933.290	157.374.691	-	156.933.290	162.127.847	-

Item B. "Assets awaiting financial lease due to lease termination" includes fixed assets that have returned to the full ownership of the Parent Company following the termination of lease contracts due to the lessees' default. These assets are also included in the detailed table of loans to customers, as required by regulatory provisions.

Item C. "Assets available from credit recovery" includes real estate acquired over the years as a result of settlement agreements and the write-off of credit positions of defaulting clients classified as non-performing. These assets are not instrumental to the business operations and are therefore not subject to depreciation. To optimize the management of such assets, the Parent Company has established a dedicated unit within its organizational structure, called the Real Estate Function, which handles their maintenance, sale, or re-leasing.

Item E. "Other tangible fixed assets" includes furniture, safes and fixtures, electronic equipment, and motor vehicles. As with intangible fixed assets, any fully depreciated tangible fixed assets are written off from the accounts by reducing both the asset value and the related provision.

Table 10.3: assets acquired from credit recovery

ITEMS / VALUES	31/12/2024		31/12/2023	
	Book value	Fair value	Book value	Fair value
A) Assets acquired from credit recovery deriving from financial leasing contracts	78.244.408	-	79.467.946	-
A1. Real estate	78.244.408	-	79.467.946	-
<i>of which For residential use</i>	12.945.160	-	13.105.336	-
<i>of which For non-residential use</i>	65.299.248	-	66.362.610	-
A2. Movable property	-	-	-	-
<i>of which Vehicles</i>	-	-	-	-
<i>of which Naval aircraft</i>	-	-	-	-
<i>of which Other</i>	-	-	-	-
B) Assets acquired from credit recovery deriving from other loan agreements	10.606.779	-	10.260.742	-
B1. Real estate	10.606.779	-	10.260.742	-
<i>of which For residential use</i>	4.256.103	-	4.411.213	-
<i>of which For non-residential use</i>	6.350.676	-	5.849.529	-
B2. Movable property	-	-	-	-
<i>of which Vehicles</i>	-	-	-	-
<i>of which Naval aircraft</i>	-	-	-	-
<i>of which Other</i>	-	-	-	-
Total	88.851.187	-	89.728.688	-

Assets acquired through credit recovery are recorded under balance sheet assets at the appraised value determined at the time of the settlement agreement finalized with the customer, and are subsequently updated periodically, within the limit of the credit exposure.

Table 10.4: leasing to credit institutions and customers (residual principal and overdue rents)

CATEGORIES / VALUES	Total 31/12/2024	of which Leasing to credit institutions	of which Leasing to customers
Leasing - Total	42.180.074	-	42.180.074
A) Of which for overdue fees	2.340.801	-	2.340.801
B) Of which Residual principal credit	39.839.273	-	39.839.273
B1. Intangible fixed assets	317.140	-	317.140
- Financial leasing	317.140	-	317.140
- Assets awaiting lease termination	-	-	-
B2. Tangible fixed assets	39.522.133	-	39.522.133
- Financial leasing	39.521.146	-	39.521.146
- Assets awaiting lease termination	987	-	987

11. Subscribed and unpaid capital (item 130 of consolidated assets)**Table 11.1: breakdown of item 130 "Subscribed and unpaid capital"**

Data not present.

12. Transactions on own shares (item 140 of consolidated assets)**Table 12.1: breakdown of company shares**

DESCRIPTION	Number of shares	% on capital	Nominal value	Trading amount
Values as of 31/12/2023	553	0,07%	14.378	14.378
Purchases	-	-	-	-
<i>of which Attributable to minority interests</i>	-	-	-	-
Sales	-	-	-	-
<i>of which Attributable to minority interests</i>	-	-	-	-
Values as of 31/12/2024	553	0,07%	14.378	14.378
<i>of which Attributable to minority interests</i>	-	-	-	-
				Profit / Loss
Profit / loss from trading on treasury shares during the year	-	-	-	-

Own shares are recorded at their par value of €26 each, with a total countervalue of €14,378.

13. Other assets (item 150 of consolidated assets)

Table 13.1: breakdown of item 150 "Other assets"

DESCRIPTION	31/12/2024	31/12/2023
Guarantee margins	-	-
Premiums paid for options	-	-
Other assets	343.613.685	340.515.202
<i>of which Other debtors:</i>	<i>2.851.010</i>	<i>1.142.444</i>
Security deposits	1.307.754	423.734
Monthly adjustment and accrual entries	123.238	718.710
Credit due from SPV for Escrow Account	927.628	-
Credit from SGA settlement agreement	492.390	-
<i>of which Other:</i>	<i>340.762.675</i>	<i>339.372.758</i>
Charges to be settled	6.385.239	5.553.322
Customers for invoices issued	858.266	649.264
Tax receivables and other tax items	10.104.029	10.514.405
Documents for collection	75.919.751	82.744.924
Amounts receivable from other customers	1.703.092	2.269.693
Amounts receivable from banks	-	339.459
Suspension for value adjustments pursuant to Law 173/2018, Art. 40	18.327.047	22.908.809
Investments for the benefit of policyholders in the Life business lines who bear the risk, and arising from the management of pension funds	132.392.776	126.980.349
GIS financial investments – BACLife Spa	95.072.475	87.412.532

This item includes all assets that cannot be attributed to other asset items. It also includes any outstanding or suspended items not assigned to the relevant accounts.

The sub-item "Suspension for value adjustments – Law 173/2018, Art. 40", amounting to €18,327,047, represents the AQR (Asset Quality Review) adjustments still suspended under the aforementioned law, accounting for 4/10 of the initial amount for the Parent Company.

The sub-item "Tax credits and other tax-related items" includes, for €8,188,964, the tax credit recognized by the Tax Office, net of utilizations, pursuant to Law no. 227/2020, which set the maximum amount of tax benefits arising from the NAV valuations as of 31/12/2020 of the Loan Management Fund and the Odisseo Fund held in the Parent Company's securities portfolio.

As specified in the valuation criteria and pursuant to applicable regulations, the item "Other assets" also includes investments made for the benefit of life insurance policyholders that carry the investment risk and derive from the

management of pension funds (see BCSM Regulation no. 2009/01 on insurance companies). These amount to €132,392,776. Additionally, the item includes other financial investments in the form of bonds issued by leading issuers, amounting to €95,072,475, also pertaining to the subsidiary BAC Life Spa. These investments correspond, on the liability side of the balance sheet, to technical reserves covering the insured parties.

14. Accrued income and prepaid expenses (item 140 of consolidated assets)

Table 14.1: breakdown of item 140 "Accrued income and prepaid expenses"

DESCRIPTION	31/12/2024	31/12/2023
A) Accrued income	475.146	664.806
- On rental income	144.303	287.370
- On lease payments	25.000	-
- Other accrued income	305.843	377.436
B) Prepaid expenses	785.226	853.646
- On rent payable	21.474	21.000
- On administrative expenses	477.648	832.646
- On securitization charges	286.104	-
Total	1.260.372	1.518.452

The relevant accruals are used to adjust assets and liabilities in compliance with BCSM Regulation no. 2016/02, Article IV.I.14. This item is fed by residual amounts not attributable to specific asset or liability items. Among the deferred charges are the up-front costs related to the setup of the securitization transaction involving the Parent Company, amounting to €286,104.

Information on the Statement of Assets and Liabilities - Liabilities

15. Due to credit institutions (item 10 of consolidated liabilities)

Table 15.1: detail of item 10 "Amounts due to credit institutions"

DESCRIPTION	31/12/2024			31/12/2023		
	In euro	In foreign currency	Total	In euro	In foreign currency	Total
A) At sight:	2.973.492	-	2.973.492	2.174.713	840	2.175.553
A1. Reciprocal accounts opened for services rendered	1.355.455	-	1.355.455	1.252.024	-	1.252.024
A2. Free deposits	-	-	-	-	-	-
A3. Others	1.618.037	-	-	922.689	840	923.529
B) At term or with notice	2.301.756	-	2.301.756	2.197.202	-	2.197.202
B1. Passive current accounts	-	-	-	-	-	-
B2. Term deposits	698.139	-	698.139	679.148	-	679.148
B3. Repurchasing agreements and passive carry-overs	-	-	-	-	-	-
B4. Other financing	1.603.617	-	1.603.617	1.518.054	-	1.518.054
Total	5.275.248	-	5.275.248	4.371.915	840	4.372.755

Among the restricted deposits are amounts established by two credit institutions as collateral for mutual contractual obligations undertaken by the Parent Company (correspondingly, under item 30 of the assets, deposits made by the Parent Company with the same credit institutions are recorded for the same amount).

16. Due to customers (item 20 of consolidated liabilities)

Table 16.1: details of item 20 "Due to customers"

DESCRIPTION	31/12/2024			31/12/2023		
	In euro	In valuta	Totale	In euro	In valuta	Totale
A) At sight:	427.005.795	5.703.768	432.709.563	409.049.516	8.239.096	417.288.612
A1. Passive current accounts	425.631.615	5.703.768	431.335.383	407.578.143	8.239.096	415.817.239
A2. Savings deposits	1.238.497	-	1.238.497	1.471.373	-	1.471.373
A3. Others	135.683	-	135.683	-	-	-
B) Term or with notice	85.616.566	-	85.616.566	110.084.143	-	110.084.143
B1. Term passive current accounts	-	-	-	-	-	-
B2. Restricted savings deposits	-	-	-	-	-	-
B3. Repurchase agreements and passive carry-overs	31.568.674	-	31.568.674	67.990.078	-	67.990.078
B4. Other funds	54.047.892	-	54.047.892	42.094.065	-	42.094.065
Total	512.622.361	5.703.768	518.326.129	519.133.659	8.239.096	527.372.755

This table provides a breakdown of item 20 of liabilities. In reclassifying the amounts due to customers, internal checks have been excluded; these are recorded under "Other liabilities" for €1,024,173 (€1,306,211 as of 31/12/2023).

Table 16.2: liabilities for electronic money

DESCRIPTION	31/12/2024	31/12/2023
For named instruments	135.698	130.822
<i>of which Rechargeable</i>	135.698	130.822
<i>of which Non-refillable</i>	-	-
For anonymous instruments	-	-

The table reports the total amount of top-ups made by customers on prepaid cards used as a means of payment; these figures pertain exclusively to the Parent Company.

17. Amounts represented by financial instruments (item 30 of consolidated liabilities)

Table 17.1: breakdown of amounts represented by financial instruments

DESCRIPTION	31/12/2024			31/12/2023			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
Bonds	-	-	-	-	-	-	-	-
of which Held by credit institutions	-	-	-	-	-	-	-	-
Certificates of deposit	166.875.803	-	166.875.803	210.166.827	-	210.166.827	-43.291.024	-20,60%
of which Held by credit institutions	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-
of which Negotiated acceptances	-	-	-	-	-	-	-	-
of which outstanding bills	-	-	-	-	-	-	-	-
of which atypical securities	-	-	-	-	-	-	-	-
Total	166.875.803	-	166.875.803	210.166.827	-	210.166.827	-43.291.024	-20,60%

The composition reflects the different investment choices made by customers.

18. Other liabilities (item 40 of consolidated liabilities)

Table 18.1: breakdown of item 40 "Other liabilities"

DESCRIPTION	31/12/2024	31/12/2023
Guarantee margins	-	-
Awards received for options	-	-
Cheques in circulation and similar securities	1.024.173	1.306.211
Others:	86.308.364	93.252.246
of which Other creditors	177.100	172.270
of which Other:	86.131.263	93.079.976
Receivables for collection	78.451.447	84.861.853
Commitments to suppliers and invoices to be received	2.928.210	3.463.661
Amounts to be paid to the tax authorities	872.405	751.742
Amounts to be settled with banks	216.047	183.795
Amounts to be paid to third parties	3.663.154	3.818.925
Total	87.332.537	94.558.457

The “amounts payable to the Tax Office” include the withholdings made by the Bank in its capacity as tax withholding agent pursuant to Law no. 166/2013, pending payment within the legal deadlines.

19. Accrued expenses and deferred income (item 50 of consolidated liabilities)

Table 19.1: breakdown of item 50 “Accrued expenses and deferred income”

DESCRIPTION	31/12/2024	31/12/2023
A) Accrued liabilities	-	29.721
A1. Accrued expenses on commissions	-	-
A2. Other accrued expenses	-	29.721
B) Deferred income	452.252	223.017
B1. Deferred income from foreign portfolio	4.046	4.978
B2. Deferred income from signature loan commissions	53.750	56.502
B3. Other deferred income	165.443	100.101
B4. Deferred income on rental income	229.013	61.436
Total	452.252	252.738

Pursuant to Article IV.I.14 of BCSM Regulation no. 2016/02 on the preparation of financial statements, which requires that banks' assets and liabilities be directly adjusted by the related accruals, the item 50 includes residual amounts not attributable to specific asset or liability items.

20. Provisions (items 60 - 70- 80 of consolidated liabilities)**Table 20.1: movements of item 60: "Severance"**

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	589.924	567.501
Increases:	560.645	591.080
- Provisions	560.645	591.080
- Other increases	-	-
Decreases:	568.833	568.657
- Uses	568.833	568.657
- Other decreases	-	-
Closing balance	581.736	589.924

Severance, as required by current regulations, is paid annually to employees. Therefore, the balance corresponds to the portion for the year 2024.

Table 20.2: breakdown of item 70 "Provisions for risks and charges"

COMPOSITION	31/12/2024	31/12/2023
Pension funds and similar obligations	-	-
Taxes and fees fund	597.999	151.081
Consolidation provision for future risks and charges	-	249.399
Other funds	1.458.107	1.540.908
- Claims and revocation fund	494.121	520.341
- Provision for charges to be settled	475.246	785.461
- Charity fund	14.955	9.955
- Provision for adjustments for guarantees and commitments	350	-
- Provision for risks and charges	473.435	225.151
Total	2.056.106	1.941.387

For the year under review, the Tax and Duties Fund was increased to cover the relevant tax liabilities.

The Legal Disputes and Claims Fund was increased by an additional €0.270 million to address potential risks arising from ongoing legal proceedings, with €0.296 million also utilized.

A further €0.248 million was prudently allocated to the Provisions for Risks and Charges Fund.

The Accrued Charges Fund was partially used to cover contractual salary

increases granted to employees as part of the renewal of the national collective labor agreement (CCNL) for the banking sector in 2024, relating to previous financial years.

Finally, as resolved by the Shareholders' Meeting held on 28/05/2024, the Parent Company increased the fund allocated for charitable activities by €15,000.

Tale 20.3: movement of the "Tax reserves and duties"

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	151.081	158.880
Increases:	580.462	137.279
- Provisions	580.462	137.279
- Other increases	-	-
Decreases:	133.543	145.077
- Uses	133.543	145.077
- Other decreases	-	-
Closing balance	597.999	151.081

The Tax Provision Fund was increased following the accrual of income tax as of 31/12/2024. This amount was recorded under the specific item "Taxes for the year" in the profit and loss account.

Table 20.4: movements in the "Consolidation fund for future risks and charges"

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	249.399	-
Increases:	-	249.399
- Provisions	-	249.399
- Other increases	249.399	-
Decreases:	-	-
- Uses	-	-
- Other decreases	249.399	-
Closing balance	-	249.399

The change in this fund is attributable to the recapitalization of the investee NCO Immobiliare Srl by the partner banks, following the reduction due to the 2023 financial loss.

Table 20.5: movements of sub-item c) "Other Provisions"

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	1.540.908	699.456
Increases:	666.260	886.519
- Provisions	666.260	886.519
- Other increases	-	-
Decreases:	749.062	45.067
- Uses	594.680	29.381
- Other decreases	154.382	15.685
Closing balance	1.458.107	1.540.908

Table 20.6: movements of item 80 "Provisions for risks on credits"

DESCRIPTION	31/12/2024	31/12/2023
Opening balance	610.100	620.000
Increases:	14.900	-
- Provisions	14.900	-
- Other increases	-	-
Decreases:	-	9.900
- Uses	-	9.900
- Other decreases	-	-
Closing balance	625.000	610.100

By its very nature, the Provision for Credit Risks is intended to cover only possible credit risks and has no asset adjustment function. In the current financial year, it was not further replenished, nor did it have any drawdowns.

21. Technical reserves (item 90 of consolidated liabilities)

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Non-life business	-	-	-	-
A1. Premium provisions	-	-	-	-
A2. Claims provisions	-	-	-	-
A3. Other provisions	-	-	-	-
B) Life business	101.562.966	88.628.046	12.934.920,16	14,59%
B1. Mathematical provisions	100.604.780	87.977.229	12.627.551,03	14,35%
B2. Provisions for amounts payable	-	66.544	-66.544,00	-100,00%
B3. Other provisions	958.186	584.273	373.913,13	64,00%
C) Technical provisions where the investment risk is borne by policyholders	132.392.776	126.980.349	5.412.426,88	4,26%
C1. Provisions relating to contracts whose benefits are linked to investment funds and market indices	132.392.776	126.980.349	5.412.426,88	4,26%
C2. Provisions arising from the management of pension funds	-	-	-	-

The technical reserves pertain to the company BAC Life Spa. The reserves for the contracts in force as of 31/12/2024 were determined gross of reinsurance cessions and based on the actuarial equivalence principle of future obligations, as certified by the Actuary's Report.

22. General financial risk fund, Subordinated liabilities, Negative consolidation differences, Minority interests, Subscribed capital, Share premium, Reserves, Revaluation reserve, Retained earnings (losses) and Profit (loss) for the year (items 100-110-120-130-140-150-160-170-180-190 of consolidated liabilities)

Table 22.1: breakdown of item 100 "Provisions for general financial risks"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Opening balance	1.423.222	-	1.423.222	-
Contributions during the year	-	1.423.222	-1.423.222	-100%
Utilisations during the year	-	-	-	-
Closing balance	1.423.222	1.423.222	-	-

There are no changes in 2024.

The fund constitutes a positive component of core regulatory capital.

Table 22.2: breakdown of item 100 "Subordinate liabilities"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Subordinated liabilities	2.400.988	2.400.922	66	-
<i>of which Held by credit institutions</i>	-	-	-	-
<i>of which Hybrid capitalization instruments</i>	-	-	-	-

The Parent Company issued, effective 01/12/2020, a subordinated loan with a five-year maturity and a nominal interest rate of 3%, which was subscribed for a nominal amount of €2,395,000. The amount shown in the table includes accrued interest.

Table 22.3: breakdown and change in item 120 "Negative consolidation differences"

Data not present.

Table 22.4: breakdown of item 130 "Equity attributable to minority interests"

DESCRIPTION	31/12/2024	31/12/2023	Amount	%
Minority interests' equity	38.319	63.055	-24.736	-39,23%
San Marino Finanza e Previdenza Srl	38.319	63.055	-24.736	-39,23%

Table 22.5: breakdown of item 140 "Subscribed capital"

DESCRIPTION	31/12/2024			31/12/2023			CHANGE	
	No of shares	Unit value	Overall value	No of shares	Unit value	Overall value	Amount	%
Ordinary shares	803.080	26	20.880.080	803.080	26	20.880.080	-	-
Total	803.080	26	20.880.080	803.080	26	20.880.080	-	-

There are no convertible bonds, warrants, options, securities or similar rights.

Table 22.6: breakdown of item 150 "Share premium reserves"

Data not present.

Table 22.7: breakdown of item 160 "Reserves"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
a) Ordinary or legal reserve	50.046.289	46.936.389	3.109.900	6,63%
b) Reserve for own shares	14.378	14.378	-	-
c) Statutory reserves	-	-	-	-
d) Other reserves	5.294.721	1.651.456	3.643.265	220,61%
Total	55.355.388	48.602.223	6.753.165	13,89%

The item "Statutory or legal reserve" includes the "tax-suspended reserve" established by the Parent Company following the reverse merger of Istituto Bancario Sammarinese in 2012. The change in the statutory reserve is attributable to the capitalization of the profit achieved by the Parent Company in 2023. The change in item d) "Other reserves" also derives from the reallocation of dividends from subsidiaries, relating to the year 2023 and subject to elimination, amounting to €719,862. This item also includes the revaluation reserves of subsidiaries, accrued over previous years to align them with Net Equity values as of 31/12/2023; these reserves, although available, are not distributable, and amount to €1,107,710.

Table 22.8: breakdown of item 170 "Revaluation reserves"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Revaluation Reserve	17.046.887	18.091.530	-1.044.643	-5,77%
<i>of which Attributable to minority interests</i>	-	-	-	-

It consists of the revaluations carried out on operating properties, as well as on the equity investment in BCSM, pursuant to specific regulatory provisions. The decrease in the reserve includes the reclassification, under item d) "Other reserves", of entries related to consolidation techniques.

Table 22.9: breakdown of item 180 "Retained earnings (losses)"

Data not present.

Table 22.10: breakdown of item 190 "Net income (loss) for the period"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Profit (loss) for the year	4.870.438	5.190.821	-320.383	-6,17%

Table 22.11: changes in the net equity over the last 4 years

DESCRIPTION	Subscribed capital	Subscribed and unpaid capital	Share premium	Ordinary or legal reserve	Other reserves	Result for the year	Profits/ losses carried forward	General financial risks	Revaluation reserve	Total
Balance as of 31/12/2021	-	-	-	-	-	-	-	-	-	-
Balance as of 31/12/2022	-	-	-	-	-	-	-	-	-	-
Balance as of 31/12/2023	20.880.080	-	-	46.936.389	1.665.834	5.190.821	-	1.423.222	18.091.530	94.187.876
Balance as of 31/12/2024	20.880.080	-	-	50.046.289	5.309.099	4.870.438	-	1.423.222	17.046.887	99.576.015

Table 22.12: statement of changes in consolidated shareholders' equity

DESCRIPTION	Opening balances	Allocation Previous result			Changes during the year			Group equity as of 31/12/2024	Minority interests' equity as of 31/12/2024
		Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Changes in equity investments	Other changes		
Subscribed and paid-up capital	20.880.080	-	-	-	-	-	-	20.880.080	12.740
- Ordinary shares	20.880.080	-	-	-	-	-	-	20.880.080	12.740
- Other shares	-	-	-	-	-	-	-	-	-
Additional paid-in capital			-	-	-	-	-	-	-
Reserves	48.602.223	5.609.496	-	1.143.669	-	-	-	55.355.388	13.614
- Ordinary or legal	46.936.389	3.109.900	-	-	-	-	-	50.046.289	-
- Other	1.665.834	2.499.596	-	1.143.669	-	-	-	5.309.099	13.614
Profit (loss) for the year	5.190.821	-5.190.821	-	-	-	-	-	4.870.438	11.965
Reserve for general financial risks	1.423.222	-	-	-	-	-	-	1.423.222	-
Revaluation reserve	18.091.530	-	-	-1.044.643	-	-	-	17.046.887	-
Group equity as of 31/12/2024	94.187.876	-	-	-	-	-	-		-
Minority interests' equity As of 31/12/2024	63.055	-	-	-	-	-	-	99.576.015	38.319

Table 22.13: breakdown of deposits by economic sector

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Public Administrations	98.870.307	114.602.102	-15.731.795	-13,73%
B) Financial companies other than credit institutions	18.914.032	21.157.951	-2.243.919	-10,61%
- Monetary financial institutions (excluding credit institutions)	-	-	-	-
- Investment funds other than money market funds	5.585.785	5.249.412	336.373	6,41%
- other financial institutions	4.625.868	5.872.052	-1.246.184	-21,22%
- Insurance companies	8.702.379	10.036.488	-1.334.108	-13,29%
- Pension funds	-	-	-	-
C) Non-financial companies	154.673.307	167.346.134	-12.672.827	-7,57%
<i>of which Subjects deleted from the register of authorized subjects</i>	<i>204.289</i>	<i>229.055</i>	<i>-24.766</i>	<i>-10,81%</i>
- Industry	63.996.431	88.927.428	-24.930.997	-28,04%
- Construction	3.743.331	3.270.407	472.924	14,46%
- Services	86.564.102	74.529.227	12.034.875	16,15%
- Other non-financial companies	369.443	619.071	-249.628	-40,32%
D) Families and non-profit institutions serving families	413.303.191	434.771.517	-21.468.326	-4,94%
- Consumer and producer families	404.839.521	429.016.806	-24.177.285	-5,64%
- Non-profit institutions serving families	8.463.670	5.754.711	2.708.959	47,07%
E) Others	2.866.256	3.369.011	-502.755	-14,92%
Total	688.627.093	741.246.715	-52.619.622	-7,10%

As can be seen from reading the above table, the concentration of deposits is mainly in the Household segment.

Information on the Statement of Assets and Liabilities - Guarantees and Commitments

23. Guarantees and commitments

Table 23.1: breakdown of "Guarantees given"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Unsecured loans of a commercial nature	7.904.676	8.531.076	-626.400	-7,34%
B) Unsecured loans of a financial nature	603.900	686.099	-82.199	-11,98%
C) Assets pledged as collateral	6.932.175	7.840.811	-908.636	-11,59%
- of third party bonds	324.036	1.251.663	-927.627	-74,11%
- of own bonds	6.608.139	6.589.148	18.991	0,29%
Total	15.440.751	17.057.986	-1.617.235	-9,48%

Guarantees given were classified according to economic purpose, into:

- trading endorsement loans: personal guarantees securing specific commercial transactions (such as documentary credits) or the proper implementation of contracts;
- financial endorsement loans: i.e., personal guarantees securing the proper fulfillment of the service of the debt by the payer;
- assets pledged as collateral for third-party obligations: these include since 2023 the escrow account set up with the Central Bank to guarantee both the timely payment of Senior ABS and the payment of management costs incurred by Veicolo di Sistema in the Securitization Transaction;
- assets (such as securities or cash) pledged as collateral for own obligations. They are lent not against a debt already incurred but against the possibility of the debt emerging.

Table 23.2: breakdown of unsecured loans

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Unsecured loans of a commercial nature	7.904.676	8.531.076	-626.400	-7,34%
A1. Acceptances	-	-	-	-
A2. Guarantees and endorsements	7.904.676	8.531.076	-626.400	-7,34%
A3. Strong patronage	-	-	-	-
A4. Others	-	-	-	-
B) Unsecured loans of a financial nature	603.900	686.099	-82.199	-11,98%
B1. Acceptances	-	-	-	-
B2. Guarantees and endorsements	603.900	686.099	-82.199	-11,98%
B3. Strong patronage	-	-	-	-
B4. Other	-	-	-	-
Total	8.508.576	9.217.175	-708.599	-7,69%

Table 23.3: situation of unsecured loans to credit institutions

Data not present.

Table 23.4: situation of unsecured loans to customers

DESCRIPTION	31/12/2024			31/12/2023		
	Gross exposure	Total value adjustments	Net exposure	Gross exposure	Total value adjustments	Net exposure
A) Doubtful loans	30.500	350	30.150	500	-	500
of which Non-performing loans	30.000	-	30.000	-	-	-
of which Substandard loans	500	350	150	500	-	500
of which Restructured loans	-	-	-	-	-	-
of which Past due/overdue loans	-	-	-	-	-	-
of which Unsecured loans to high-risk countries	-	-	-	-	-	-
B) Performing loans	8.478.076		8.478.076	9.216.675	-	9.216.675
Total	8.508.576	350	8.508.226	9.217.175	-	9.217.175

Tabella 23.5: assets used as collaterals to own debts

Data not present.

Table 23.6: margins available on credit lines

Data not present.

Table 23.7: breakdown of "Spot commitments"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Commitments to disburse funds for certain use	-	-	-	-
<i>of which Financing commitments to be disbursed</i>	-	-	-	-
B) Commitments to exchange financial instruments for certain use	-	-	-	-
C) Commitments to disburse funds for uncertain use	1.023.725	3.178.555	-2.154.830	-67,79%
<i>of which Passive margins usable on credit lines</i>	1.023.725	3.178.555	-2.154.830	-67,79%
<i>of which Put options issued</i>	-	-	-	-
D) Commitments to exchange financial instruments of uncertain use	-	-	-	-
E) Other commitments	516.172	406.158	110.014	27,09%
Total	1.539.897	3.584.713	-2.044.816	-57,04%

Commitments with certain use are represented by commitments to disburse funds whose use by the applicant is not optional. These are commitments originated from contracts that are binding on both the lending bank and the applicant. This category includes purchases of securities that have not yet been settled, as well as deposits and loans to be disbursed at a predetermined future date.

Under item E) "Other commitments," the amount of €516,172 represents the commitment for contributions to the Deposit Guarantee Fund for the years 2022/2023/2024.

Table 23.8: term commitments

CATEGORY OF TRANSACTIONS	Hedging	Trading	Other transactions
1) Trading	13.841.756	-	1.023.325
1.1 Financial instruments	-	-	1.023.325
- Purchases	-	-	1.023.325
- Sales	-	-	-
1.2 Foreign currencies	13.841.756	-	-
- Foreign currencies against foreign currencies	-	-	-
- Purchases against euro	13.841.756	-	-
- Sales against euro	-	-	-
2) Deposits and financing	-	-	-
- To be paid	-	-	-
- To be received	-	-	-
3) Derivative contracts	-	-	-
3.1 With exchange of capital	-	-	-
A) Securities	-	-	-
- Purchases	-	-	-
- Sales	-	-	-
B) Foreign currencies	-	-	-
- Foreign currencies against foreign currencies	-	-	-
- Purchases against euro	-	-	-
- Sales against euro	-	-	-
C) Other values	-	-	-
- Purchases	-	-	-
- Sales	-	-	-
3.2 Without capital exchange	-	-	-
A) Foreign currencies	-	-	-
- Foreign currencies against foreign currencies	-	-	-
- Purchases against euro	-	-	-
- Sales against euro	-	-	-
B) other values	-	-	-
- Purchases	-	-	-
- Sales	-	-	-

This table lists all the off-balance sheet transactions in force at year-end. In particular: a) Forward financial instruments and currency sale/purchase contracts not yet settled; b) Derivative contracts with underlying securities; c) Derivative contracts on foreign currencies; d) Derivative contracts without underlying securities related to interest rates, indices or other assets; e) Spot or term deposits or loans to be disbursed or to receive at a future given date. Item 1.2 "Currency purchases against euro" shows the countervalue of

transactions to be settled on currencies with customers with conventionally two-day maturity.

Table 23.9: financial derivatives

Data not present.

Table 23.10: credit derivatives contracts

Data not present.

Information on the Statement of Assets and Liabilities - Memorandum Accounts

Table 24.1: memorandum accounts

ITEMS	31/12/2024	31/12/2023
1) Asset management	832.006	3.590.835
a) Customer asset management	832.006	3.590.835
<i>of which Liquidity</i>	101.060	276.317
<i>of which Liquidity deposited with the reporting institution</i>	101.060	276.317
<i>of which Debt securities</i>	-	276.145
<i>of which Debt securities issued by the reporting entity</i>	-	-
<i>of which Debt securities issued by other San Marino credit institutions</i>	-	-
<i>of which Equity securities and Official Italian accounting Board shares</i>	730.946	3.038.373
<i>of which Equity securities issued by the reporting entity</i>	-	-
b) Own portfolios managed by third parties	-	-
2) Custody and administration of financial instruments	939.199.739	813.612.431
a) Third party financial instruments on deposit	592.067.428	495.266.961
<i>of which Debt securities issued by the reporting entity</i>	2.395.000	2.395.000
<i>of which Debt securities issued by other San Marino credit institutions</i>	-	-
<i>of which Equity securities and other securities issued by the reporting entity</i>	86.158.068	79.770.226
<i>of which Securities third-party financial instruments deposited with third parties</i>	377.157.985	313.689.122
b) Proprietary financial instruments deposited with third parties	347.132.311	318.345.470
3) Financial instruments, liquidity and other values related to the activity of depository bank	131.727.382	109.374.923
a) Liquidity	5.585.784	5.249.412
<i>of which Liquidity deposited with the reporting institution</i>	5.585.784	5.249.412
b) Debt securities	24.074.228	12.477.781
<i>of which debt securities issued by the reporting entity</i>	-	-
<i>of which debt securities issued by other San Marino credit institutions</i>	-	-
c) Equity securities, Official Italian accounting Board shares and other financial instruments	102.067.370	91.647.730
<i>of which equity securities issued by the reporting entity</i>	-	-
d) Other assets other than financial instruments and liquidity	-	-

In the memorandum accounts, financial instruments are allocated to the appropriate and mutually exclusive items, based on the contracts signed with clients, namely, asset management, custody and administration, and depository bank agreements.

The aforementioned financial instruments are recorded in the memorandum accounts at market value. It is noted that the subsidiary BAC Investments SG S.p.A. distributes and sells its own funds through the Parent Company BAC's commercial network, with BAC also acting as depositary, for an amount of €131,727,382, as reported in the section "Financial instruments, liquidity, and other assets related to depositary bank activities." It should also be noted that the figures shown in the above section, represent an "of which", included in the aggregate Custody and Securities Administration.

Table 24.2: intermediation for outsourcers: execution of memorandums

ITEMS	31/12/2024	31/12/2023
Purchases	267.247.582	225.409.888
<i>of which Purchases not settled as of the reporting date</i>	-	-
Sales	95.479.566	178.261.475
<i>of which Sales not settled as of the reporting date</i>	-	-

Table 24.3: breakdown of indirect deposits by business sector

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Public administrations	46.339.597	17.790.794	28.548.803	160,47%
B) Financial companies	277.357.120	333.413.243	-56.056.123	-16,81%
- Monetary financial institutions	-	-	-	-
- Investment funds other than money market funds	126.141.599	104.125.511	22.016.088	21,14%
- Other financial institutions	27.324.407	26.195.147	1.129.260	4,31%
- Insurance companies	123.891.114	114.191.729	9.699.385	8,49%
- Pension funds	-	-	-	-
C) Non-financial companies	92.347.821	83.319.075	9.028.746	10,84%
<i>of which Subjects deleted from the register of authorized subjects</i>	-	-	-	-
- Industry	6.661.414	5.760.840	900.574	15,63%
- Construction	1.836.826	2.053.785	-216.959	-10,56%
- Services	19.171.947	19.252.709	-80.762	-0,42%
- Other non-financial companies	64.677.634	56.251.741	8.425.893	14,98%
D) families and non-profit institutions serving families	299.921.755	254.520.409	45.401.346	17,84%
- Consumer and manufacturer families	294.030.457	247.793.435	46.237.022	18,66%
- Non-profit institutions serving families	5.891.298	6.726.974	-835.676	-12,42%
E) others	578.679	169.325	409.354	241,76%
Total	716.544.972	689.212.846	27.332.126	3,97%

Table 24.4: trust activity

DESCRIPTION	31/12/2024	31/12/2023
1. Movable assets	15.227.594	16.693.960
1.1. Financial instruments	12.717.294	13.725.883
1.2. Cash	2.510.300	2.968.077
2. Shareholdings	9.560.684	9.413.676
2.1. Units or shares in joint-stock companies	7.566.663	7.935.756
2.2. Shareholder financing	1.936.584	1.381.223
2.3. Cash	57.437	96.697
3. Financing to third parties	2.478.707	2.478.707
3.1. Financing	2.478.707	2.478.707
3.2. Cash	-	-
4. Other movable or intangible assets	-	-
4.1. Movable or intangible assets	-	-
4.2. Cash	-	-
5. Total fiduciary assets	27.266.985	28.586.343
5.1. Of which total cash	2.567.737	3.064.774

Table 24.5: assets held in the exercise of trustee function

DESCRIPTION	31/12/2024	31/12/2023
A) Assets		
A1. Cash and cash equivalents	1.767.085	898.998
A2. Loans	306.574	306.574
A3. Securities	224.652	238.652
A3.1 Debt securities	203.249	218.255
A3.2 Equity securities	-	-
A3.3 CIS (Collective Investment Schemes)	21.403	20.398
A3.2 Other	-	-
A4. Shareholdings	321.962	391.492
A5. Other financial assets	-	-
A6. Real estate	32.934.650	33.511.780
A7. Registered movable assets	-	-
A8. Other goods and services	-	-
Total assets held in trust	35.554.924	35.347.496
B) Liabilities		
B1. Payables	1.997.295	1.920.496
B2. Other liabilities	-	-
Total liabilities held in trust	1.997.295	1.920.496
Income and expenses from management		
C1. Income relating to assets in trust	625.704	280.950
C2. Expenses relating to assets in trust	563.408	454.242
Difference between income and expenses	62.297	-173.292

PART D – Information on the Profit and Loss Account

25. Interest (items: 10 - 20 of the consolidated profit and loss account)

Table 25.1: breakdown of item 10 "Interest income and similar revenues"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) On Treasury Bonds and other financial instruments eligible for refinancing with central banks	-	-	-	-
A1. Treasury securities and other similar financial instruments	-	-	-	-
A2. Other financial instruments eligible for refinancing with central banks	-	-	-	-
B) On loans from credit institutions	3.961.120	3.394.143	566.977	16,70%
B1. Active current accounts	3.931.534	2.796.682	1.134.852	40,58%
B2. Deposits	29.586	597.461	-567.875	-95,05%
B3. Other financing	-	-	-	-
<i>of which On leasing transactions</i>	-	-	-	-
C) Loans to customers	14.025.841	15.379.753	-1.353.912	-8,80%
C1. Active current accounts	2.928.412	3.032.132	-103.720	-3,42%
C2. Deposits	-	-	-	-
C3. Other financing	11.097.429	12.347.620	-1.250.191	-10,12%
<i>of which On leasing transactions</i>	2.510.156	2.727.288	-217.132	-7,96%
D) On debt securities issued by credit institutions	1.515.900	770.298	745.602	96,79%
D1. Certificates of deposit	2.125	-	2.125	100,00%
D2. Bonds	1.513.775	770.298	743.477	96,52%
D3. Other financial instruments	-	-	-	-
E) On debt securities from customers (issued by other issuers)	5.521.466	4.965.225	556.241	11,20%
E1. Bonds	5.404.810	4.673.584	731.226	15,65%
E2. Other financial instruments	116.656	291.641	-174.985	-60,00%
Total	25.024.327	24.509.418	514.909	2,10%

This item includes, on an accrual basis, interest, income, and similar charges related to loans and financial instruments, including the net balance between late payment interest accrued during the year and the value adjustment corresponding to the portion deemed unrecoverable.

The table shows a 2.10% increase in interest income, attributable to the expansion and reallocation of investments in financial instruments within the proprietary securities portfolio, as well as to higher interbank market yields. Interest on loans to customers was affected by reduced credit demand during the first months of the year, due to prevailing interest rate levels.

Table 25.2: breakdown of item 20 "Interest expense and similar charges"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) On amounts due to credit institutions	57.969	31.940	26.029	81,49%
A1. Passive current accounts	3.930	2.517	1.413	56,14%
A2. Deposits	-	-	-	-
A3. Other debts	54.039	29.423	24.616	83,66%
B) On amounts due to customers	4.934.674	4.001.223	933.451	23,33%
B1. Passive current accounts	1.074.258	592.381	481.877	81,35%
B2. Deposits	1.797.899	1.359.049	438.850	32,29%
B3. Other debts	2.062.517	2.049.793	12.724	0,62%
C) On debts represented by financial instruments towards credit institutions	-	-	-	-
of which On certificates of deposit	-	-	-	-
D) On debts represented by financial instruments towards customers	5.016.457	3.743.284	1.273.173	34,01%
of which On certificates of deposit	5.016.457	3.743.284	1.273.173	34,01%
E) On subordinated liabilities	71.916	71.784	132	0,18%
of which On hybrid instruments of capitalization	-	-	-	-
Total	10.081.016	7.848.232	2.232.785	28,45%

The increase in interest income is accompanied by a rise in interest expenses, directly linked to the movements in interest rates in the money market.

26. Dividends and other revenues (item 30 of the consolidated profit and loss account)

Table 26.1: breakdown of item 30 "Dividends and other revenues"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) On shares, stocks and other capital instruments	106.965	123.873	-16.908	-13,65%
B) On shareholdings	-	-	-	-
C) On shareholdings in group companies	-	-	-	-
Total	106.965	123.873	-16.908	-13,65%

The item includes only the income credited on listed equity securities purchased in the non-investment securities portfolio, recognized on a cash basis, in accordance with international and Italian accounting standards (OIC 21).

27. Commissions (items 40 - 50 of the consolidated profit and loss account)

Table 27.1: breakdown of item 40 "Commission income"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Guarantees given	110.913	115.598	-4.685	-4,05%
B) Credit derivatives	-	-	-	-
C) Investment services	658.011	577.797	80.214	13,88%
C1. Reception and transmission of orders (lett.D1 all. 1 Lisf)	655.794	571.784	84.010	14,69%
C2. Execution of orders (lett.D2 all. 1 Lisf)	-	-	-	-
C3. Management of portfolios of financial instruments (lett.D4 all. 1 Lisf)	2.217	6.013	-3.796	-63,13%
C4. Placement of financial instruments (lett.D5 and d6 all.1 Lisf)	-	-	-	-
D) Advisory activities of financial instruments	-	-	-	-
E) Distribution of third-party services and products other than placement	719.145	1.213.998	-494.853	-40,76%
E1. Asset management	-	-	-	-
E2. Insurance products	607.838	486.639	121.199	24,91%
E3. Other services and products	111.307	727.359	-616.052	-84,70%
F) Collection and payment services	742.233	780.767	-38.534	-4,94%
G) Custodian banking services	237.537	216.161	21.376	9,89%
H) Custody and administration of financial instruments	334.254	307.705	26.549	8,63%
I) Fiduciary services	126.211	120.913	5.298	4,38%
L) Operation of tax collection and receipt offices	-	-	-	-
M) Currency trading	216.712	257.632	-40.920	-15,88%
N) Commissions for collective management services (lett. E and f all. 1 Lisf)	1.395.761	647.223	748.538	115,65%
O) Electronic money	-	-	-	-
P) Credit/debit card issuing/management	1.801.469	1.708.645	92.824	5,43%
Q) Other services:	2.148.703	2.234.781	-86.078	-3,85%
Total	8.490.949	8.181.220	309.729	3,79%

Commission income shows an increase compared to the previous year (+3.79%), confirming customer appreciation for the services offered by the Group. The best performances were recorded in commissions for the receipt and transmission of securities orders (+14.69%), in commissions for the distribution of insurance products (+24.91%), and in commissions for the Custodian Bank service (+9.89%).

Table 27.2: breakdown of item 50 "Commission expense"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Guarantees given	-	-	-	-
B) Credit derivatives	-	-	-	-
C) Investment services	400.236	551.417	-151.181	-27,42%
C1. Reception and transmission of orders (letter d1 annex 1 lisf)	286.660	434.369	-147.709	-34,01%
C2. Execution of orders (letter d2)	80.596	81.912	-1.316	-1,61%
C3. Portfolio management of financial instruments (letter d4 annex 1 lisf)	-	-	-	-
- Own portfolio	-	-	-	-
- Third party portfolio	-	-	-	-
C4. Placement of financial instruments (letters d5 and d6 annex 1 lisf)	32.980	35.136	-2.156	-6,14%
D) Off-site offer of financial instruments, products and services	-	-	-	-
E) Collection and payment services	184.151	171.917	12.234	7,12%
F) Commissions to distributors	-	-	-	-
G) E-money	-	-	-	-
H) Issue / management of credit cards / debit cards	1.434.302	1.324.619	109.683	8,28%
I) Other services:	73.103	50.261	22.842	45,45%
Total	2.091.792	2.098.214	-6.422	-0,31%

Alongside the increase in active commissions, there is a decrease in passive commissions. Their breakdown shows a rise in issuance/management fees for credit and debit cards (+8.28%), as well as in fees related to collection and payment services (+7.12%), more than offset by the savings achieved on fees for the receipt and transmission of orders (-34.01%).

Table 27.3: general expenses: Information on commission income and expenses

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Active commissions				
A) Commissions for collective management services:	-	-	-	-
- Subscription fees	-	-	-	-
- Redemption fees	-	-	-	-
- Management fees	1.208.484	1.063.320	145.164	13,65%
- Performance fees	187.277	145.772	41.505	28,47%
Total (A)	1.395.761	1.209.092	186.669	15,44%
B) Commissions for individual management services	-	-	-	-
Total (B)	-	-	-	-
C) Other active commissions	-	-	-	-
Total (C)	-	-	-	-
Total active commissions (A+B+C)	1.395.761	1.209.092	186.669	15,44%
Passive commissions				
Commissions to distributors	-	-	-	-
Bank commissions	-	-	-	-
Commissions paid to outsourcers	-	-	-	-
Other passive commissions	-	-	-	-
Total passive commissions	-	-	-	-

28. Profits (losses) on financial transactions (profit and loss account item 60)

Table 28.1: breakdown of item 60 "Profits (losses) on financial transactions"

DESCRIPTION	31/12/2024			
	Transactions on financial instruments	Transactions on currencies	Transactions on metals and precious metals	Other transactions
A1. Revaluations	-	-	-	-
A2. Write-downs	2.652.076	-	-	-
B. Other Profits / Losses	2.195.816	302.466	-	-
Total	228.468	302.466	-	-
General total	530.934			
1. Government bonds	-			
2. Other financial debt instruments	953.935			
3. Equity financial instruments	-785.194			
4. Derivative contracts on financial instruments	59.727			
Total	228.468			

Item 60 includes the net result from the trading of financial assets and currencies on behalf of customers, as well as from the management of the Bank's own non-fixed financial portfolio. The result from financial management shows a decline compared to the previous year, which had recorded a positive balance of €1,288,239, attributable to market dynamics that affected the fair value of financial instruments.

29. Other operating income (profit and loss account item 70) and Other operating charges (profit and loss account item 80)

Table 29.1: breakdown of item 70 - 80 "Other operating income", "Other operating charges"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Other operating income	-	-	-	-
- Rental income from properties	1.835.642	1.550.629	285.013	18,38%
- Recovery of insurance expenses	15.959	191.387	-175.428	-91,66%
- Active commissions on accounts	161.076	170.062	-8.986	-5,28%
- Recovery of various expenses	196.142	242.991	-46.849	-19,28%
- Lease payments – principal portion	7.939.001	9.923.627	-1.984.626	-20,00%
- Other income from property sales	286.203	-	286.203	100,00%
- Brokerage commissions for recovery of securitised positions	503.420	7.086	496.334	7004,01%
- Data processing commissions – IT services	959.649	958.767	882	0,09%
Total	11.897.092	13.044.549	-1.147.457	-8,80%
Other operating expenses	72.230	21.442	50.789	236,87%
Other operating expenses – rental charges, lease payments	-	-	-	-
Total	72.230	21.442	50.789	236,87%

According to the current BCSM Regulation no. 2016/02 on the preparation of corporate and consolidated financial statements, financial lease payments accrued during the year are recorded, interest components under "interest income and similar revenues on loans," and capital components under "other operating income." At the same time, the bank reduces the value of the leased asset by the amount of the capital component through amortization. Therefore, the item "other operating income" includes the capital portions accrued on lease contracts, as well as buybacks and upfront lease payments.

Notably, among other operating income, there was an increase in "rental income from properties," due to the leasing of non-instrumental properties originating from credit recoveries and awaiting possible disposal, along with other income from the sale of properties held by other companies within the consolidation scope.

30. Net premiums (item 90 of the consolidated liabilities) and profit (loss) from insurance management (item 100 of the consolidated liabilities)

Table 30.1: breakdown of item 90 "Net premiums"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Non-life business	-	-	-	-
A1. Premiums written	-	-	-	-
A2. Premiums ceded – written basis	-	-	-	-
A3. Change in gross amount of premium provision	-	-	-	-
A4. Change in premium provision ceded to reinsurers	-	-	-	-
Total	-	-	-	-
B) Life business	29.682.108	29.375.783	306.325	1,04%
B1. Premiums written	29.682.108	29.375.783	306.325	1,04%
B2. Premiums ceded – written basis	-	-	-	-
Totale	29.682.108	29.375.783	306.325	1,04%

The gross premiums recorded, amounting to €29,682,108, are in line with the previous year, showing an increase of 1.04%.

Table 30.2: breakdown of item 100 "Profit (Loss) from insurance management"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
1. Net change in technical provisions	18.413.891	4.346.547	14.067.344	323,64%
2. Claims incurred and paid during the year	25.252.925	37.299.190	-12.046.265	-32,30%
3. Other income and expenses from insurance operations	14.832.974	13.575.660	1.257.314	9,26%
Total	-28.833.842	-28.070.078	3.278.393	-11,68%

Table 30.3: breakdown of "Net change in technical reserves"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
1) Non-life business	-	-	-	-
Change in other technical provisions of the non-life business, other than claims provisions, net of reinsurance cessions	-	-	-	-
2) Life business	-	-	-	-
A) Mathematical provisions	-12.627.551	-9.433.270	-3.194.281	33,86%
A1. Gross annual amount	-12.627.551	-9.433.270	-3.194.281	33,86%
A2. Quota ceded to reinsurers	-	-	-	-
B) Other technical provisions	-373.912	-106.910	-267.002	249,74%
B1. Gross annual amount	-373.912	-106.910	-267.002	249,74%
B2. Quota ceded to reinsurers	-	-	-	-
C) Other technical provisions where the investment risk is borne by policyholders	-5.412.428	5.193.633	-10.606.061	-204,21%
C1. Gross annual amount	-5.412.428	5.193.633	-10.606.061	-204,21%
C2. Quota ceded to reinsurers	-	-	-	-
Total	-18.413.891	-4.346.547	-14.067.344	323,64%

Table 30.4: breakdown of "Claims incurred during the year"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
1) Non-life business: claims expenses net of recoveries and reinsurance cessions	-	-	-	-
A) Amounts paid	-	-	-	-
A1. Gross annual amount	-	-	-	-
A2. Quota ceded to reinsurers	-	-	-	-
B) Change in recoveries net of quota ceded to reinsurers	-	-	-	-
C) Change in claims provisions	-	-	-	-
C1. Gross annual amount	-	-	-	-
C2. Quota ceded to reinsurers	-	-	-	-
2) Life business: claims expenses net of recoveries and reinsurance cessions	-	-	-	-
A) Amounts paid	25.319.469,00	37.433.724,07	-12.114.255	-32,36%
A1. Gross annual amount	25.319.469,00	37.433.724,07	-12.114.255	-32,36%
A2. Quota ceded to reinsurers	-	-	-	-
B) Change in provision for amounts payable	-66.544,00	-134.534,20	67.990	-50,54%
B1. Gross annual amount	-66.544,00	-134.534,20	67.990	-50,54%
B1. Quota ceded to reinsurers	-	-	-	-
Total	25.252.925	37.299.190	-12.046.265	-32,30%

The charges related to claims and redemptions refer to redemptions paid during the year amounting to €23,592,423, claims settled during the year for €1,702,198, a change in the reserve for amounts payable of –€66,544, and general expenses reallocated to settlement charges for €24,848.

The total charges related to claims and redemptions amount to €25,252,925, compared to €37,299,190 at the end of the previous year, showing a decrease of 32%, equal to €12,046,265.

Table 30.5: breakdown of "Other income and charges from insurance management"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Other income from insurance operations	-	-	-	-
Income from investments	2.857.390	2.318.052	539.338	23,27%
Income and unrealised capital gains on investments where the risk is borne by policyholders and on investments arising from the management of pension funds	15.245.208	15.457.997	-212.789	-1,38%
Other technical income, net of reinsurance cessions	976.825	1.019.154	-42.329	-4,15%
Total	19.079.423	18.795.203	284.220	-
Other expenses from insurance operations	-	-	-	-
Management expenses	1.121.490	1.005.072	116.418	11,58%
Property and financial expenses	45.076	15.660	29.416	187,85%
Property and financial expenses and unrealised capital losses on investments where the risk is borne by policyholders and on investments arising from the management of pension funds	3.079.883	4.198.812	-1.118.929	-26,65%
Total	4.246.449	5.219.544	-973.095	-18,64%

The other technical income mainly refers to management fees applied to internal Unit Linked funds and accrued at the balance sheet closing date.

31. Administrative expenses (profit and loss account item 110)

Table 31.1: number of employees by category and personnel cost

DESCRIPTION	Average as of 31/12/2024	Personnel expenses as of 31/12/2024	Personnel expenses as of 31/12/2024	Average as of 31/12/2023	Personnel expenses as of 31/12/2023	Personnel expenses as of 31/12/2023
A) Managers	24,33	2.361.397	24	24,33	2.287.727	24
of which In proportionately consolidated companies	0,33	47.354	-	-	-	-
B) Administrative staff	13,42	1.043.082	13	12,67	1.015.957	13
of which In proportionately consolidated companies	-	-	-	-	-	-
C) Remaining personnel	85,75	5.219.962	82	87,83	5.278.000	87
of which In proportionately consolidated companies	8,08	399.949	-	8,33	373.035	8
C1. Employees	85,75	5.219.962	82	87,83	5.278.000	87
of which In proportionately consolidated companies	8,08	399.949	8	8,33	373.035	8
C2. Other personnel	-	-	-	-	-	-
of which In proportionately consolidated companies	-	-	-	-	-	-
Total	123,50	8.624.441	120	124,83	8.581.684	124

In personnel costs, the category "Managers" also includes employees contractually classified as "Executives," in accordance with BCSM Regulation no. 2016/02. However, it does not include the remuneration granted to corporate officers, such as directors and statutory auditors, which is detailed in the following Table 31.3, in accordance with the aforementioned Regulation.

Table 31.2: breakdown of sub-item b) "Other administrative expenses"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Other administrative expenses:	5.988.189	5.736.776	251.413	4,38%
of which Fees to independent auditors	73.390	71.500	1.890	2,64%
of which Fees for services other than auditing the financial statements	-	-	-	-
of which Other:	5.914.799	5.665.276	249.523	4,40%
Expenses for professional services	1.199.371	880.013	319.358	36,29%
Expenses for the purchase of non-professional goods and services	1.906.638	2.101.119	-194.481	-9,26%
Rents and fees	1.735.567	1.642.283	93.284	5,68%
Insurance premiums	226.554	191.415	35.139	18,36%
Supervisory charges	625.372	653.612	-28.240	-4,32%
Charity and sponsorship expenses	20.150	22.600	-2.450	-10,84%
Indirect taxes and duties	201.147	174.235	26.912	15,45%
Deposit guarantee fund contribution	-	-	-	-

In 2024, administrative expenses increased by 4.38% compared to the previous year, attributable to a higher ownership percentage in NCO Immobiliare Srl, as well as to expenses related to S3 Special Servicer Srl, which was established at the end of 2023.

Table 31.3: remuneration

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Directors	230.085	259.391	-29.306	-11,30%
<i>of which From the parent company</i>	121.770	168.125	-46.355	-27,57%
B) Auditors	132.163	126.527	5.636	4,45%
<i>of which From the parent company</i>	74.306	74.878	-572	-0,76%
C) Management	435.167	338.333	96.834	28,62%
<i>of which From the parent company</i>	435.167	338.333	96.834	28,62%
Total	797.415	724.251	73.164	10,10%

This table details the compensation paid to Directors and Statutory Auditors for the positions held within the Group, including attendance fees, as well as the salaries paid to the General Management of the Parent Company, which in 2024 consisted of the General Manager and two Deputy General Managers.

Below is a summary of the loans granted to members of the Parent Company's administrative, management, or supervisory bodies.

DESCRIPTION	GRANTED	USED	GUARANTEES PROVIDED
Auditors	65.000	-	-
Directors	-	-	-
Management	10.000	-	-
Total	75.000	-	-

The transactions carried out by the bank with related parties were concluded under normal market conditions, as verified by the Parent Company's Internal Auditing Function. In the case of credit concessions, prior approval was required during the preliminary investigation phase by the Credit Department and subsequently monitored on a regular basis.

32. Adjustments, recoveries, and provisions (items 120-130-140-150-160-170-180-190 of the consolidated profit and loss account)

Table 32.1: breakdown of items 120 - 130 "Value adjustments on intangible and tangible assets"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
a) Intangible fixed assets	447.583	439.863	7.720	1,76%
<i>of which On leased assets</i>	52.988	50.696	2.292	4,52%
<i>of which On other intangible fixed assets</i>	394.595	389.167	5.428	1,39%
Software	191.776	208.889	-17.113	-8,19%
Research, studies and training	55.105	37.642	17.464	46,39%
Various multi-year costs	41.946	96.554	-54.608	-56,56%
Expenses for improvements to leased premises	18.645	4.269	14.376	336,75%
Concession rights and underpass works	41.814	41.813	1	-
Positive consolidation differences	45.309	-	45.309	100,00%
Total	447.583	439.863	7.720	1,76%
b) Tangible fixed assets	9.203.739	11.044.479	-1.840.740	-16,67%
<i>of which On leased assets</i>	7.861.213	9.762.629	-1.901.416	-19,48%
<i>of which On other tangible fixed assets</i>	1.342.526	1.281.850	60.676	4,73%
Furniture, safes and systems	96.157	83.869	12.288	14,65%
Electronic equipment	181.168	172.557	8.611	4,99%
Motor vehicles	21.080	10.700	10.380	97,01%
Properties and land	983.147	991.788	-8.641	-0,87%
Equipment and machinery	3.174	8.437	-5.263	-62,38%
Other assets	-	14.498	-14.498	-100,00%
Assets available from credit recovery	57.800	-	57.800	100,00%
Total	9.203.739	11.044.479	-1.840.740	-16,67%

The allocations to the depreciation funds for assets used in the course of business represent the total depreciation charges for the year, calculated based on their remaining useful life and aligned with the rates established by the tax provisions set out in Law no. 166 of 16 December 2013. The applicable rates are as follows:

Properties	3%
Furniture, safes and installations	15%
Electronic machines	20%
Vehicles	20%
Software	20%
Rental accommodation expenses	20%
Studies, research, training and miscellaneous	20%
Concessionary rights and subway works	3%

The depreciation charges also include the principal portions accrued during the year relating to lease payments for assets under finance lease agreements, which are simultaneously recorded as income under "other operating income," in accordance with BCSM Regulation 2016/02, Article IV.V.5.

Table 32.2: breakdown of item 140 "Reserves for risks and charges"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Provisions (relating to the sub-item "other provisions" of liabilities):	-	-	-	-
Provision for charges relating to disputes and pending litigation	270.209	262.889	7.320	2,78%
Provision for charges to be settled	5.235	340.475	-335.240	-98,46%
Provision for risks and charges	319.907	225.150	94.757	42,09%
Total	595.351	828.514	-233.163	-28,14%

Table 32.3: item 150 "Provisions for credit risks"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Provisions (relating to the "provisions for credit risks" item under liabilities)	-	-	-	-
Provision for credit risks	14.900	-	14.900	100,00%
Total	14.900	-	14.900	100,00%

In 2024, the fund was increased by €14,900 in relation to the subsidiary BAC Life Spa.

Table 32.4: breakdown of item 160 "Value adjustments on loans and provisions for guarantees and commitments"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
A) Value adjustments on loans	6.431.238	6.825.030	-393.792	-5,77%
of which:	-	-	-	-
Lump-sum adjustments for country risk	-	-	-	-
Other lump sum adjustments	623.817	436.552	187.265	42,90%
B) Provisions for guarantees and commitments	-	-	-	-
of which:	-	-	-	-
Lump-sum provisions for country risk	-	-	-	-
Other lump-sum provisions	-	-	-	-
Total	6.431.238	6.825.030	-393.792	-5,77%

The value adjustments recorded during the financial year, corresponding to the analytical and lump-sum impairments applied to the loan portfolio, result in a coverage of total cash loans of 4.08%, compared to 4.67% as at 31/12/2023.

Net adjustments on loans and on provisions for guarantees and commitments amount to €4,402,049, broken down as follows: €6,431,238 for provisions and value adjustments on loans (table 32.5), and €2,029,189 for reversals of impairment due to collections and revaluations (table 32.6). During the year, the amortisation through the Profit and Loss Account of the adjustments resulting from the Asset Quality Review (AQR) exercise continued, for an amount of €4,581,762.

Table 32.5: various types of movements in item 160 "Value adjustments to receivables and provisions for guarantees and commitments"

DESCRIPTION	31/12/2024		31/12/2023		CHANGE	
	Analytics	Flat-rate	Analytics	Flat-rate	Amount	%
A) Total write-downs of cash receivables	5.807.421	623.817	6.388.478	436.552	-393.792	-5,77%
A1. Loan valuation - non-performing loans	3.978.584	-	4.804.185	-	-825.601	-17,19%
A2. Impairment of receivables - probable defaults	1.760.626	-	906.214	-	854.412	94,28%
A3. Impairment of receivables - impaired past due/overdue loans	68.211	-	678.079	-	-609.868	-89,94%
A4. Impairment of receivables - other credit exposures	-	623.817	-	436.552	187.265	42,90%
B) total losses on cash loans	-	-	-	-	-	-
B1. Non-performing loans	-	-	-	-	-	-
B2. Probable defaults	-	-	-	-	-	-
B3. Other credit exposures	-	-	-	-	-	-
Total value adjustments on cash loans (A+B)	5.807.421	623.817	6.388.478	436.552	-393.792	-5,77%
C) Total provisions for guarantees and commitments	-	-	-	-	-	-
C1. Guarantees	-	-	-	-	-	-
C2. Commitments	-	-	-	-	-	-
Total general (A+B) + C	5.807.421	623.817	6.388.478	436.552	-393.792	-5,77%
Total		6.431.238		6.825.030		

Table 32.6: breakdown of item 170 "Writebacks on loans and on provisions for guarantees and commitments"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Value adjustments	2.029.189	2.018.713	10.476	0,52%
of which On non-performing loans	346.328	1.475.157	-1.128.829	-76,52%
of which On probable defaults	954.181	145.750	808.431	554,67%
of which On impaired past due and/or in arrears	5.813	1.261	4.552	360,98%
of which On other receivables	722.867	396.545	326.322	82,29%

Table 32.7: breakdown of item 160 "Financial fixed asset adjustments"

Data not present.

Table 32.8: breakdown of item 170 "Financial fixed asset writebacks"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Value adjustments	98.302	157.684	-59.382	100,00%
<i>of which On equity investments</i>	-	-	-	-
<i>of which On equity investments measured using the equity method</i>	-	-	-	-
<i>of which On other capital financial instruments</i>	98.302	157.684	-59.382	100,00%
<i>of which On other debt financial instruments</i>	-	-	-	-
<i>of which On other derivative financial instruments</i>	-	-	-	-

The reversals of impairment on equity instruments are attributable to the update of the NAV as at 31/12/2024 of a Private Debt Fund included in the immobilised securities portfolio owned by the Parent Company.

33. Gains (losses) on shareholdings valued using the equity method (item 200 of the profit and loss account)

Table 33.1: breakdown of item 200 "Gains (losses) on shareholdings valued using the equity method"

Data not present.

34. Extraordinary income (item 220 of the consolidated profit and loss account) and extraordinary expenses (item 230 of the consolidated profit and loss account)

Table 34.1: breakdown of items 220 – 230 “extraordinary income”, “extraordinary expenses”

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Extraordinary income	-	-	-	-
- Contingent assets	709.913	79.718	630.195	790,53%
- Receipts on positions passed to losses	-	-	-	-
- Termination of customer relations	124	14	110	785,71%
- Release of the complaints and revocatory fund	-	-	-	-
- Other extraordinary income	57.874	21.788	36.086	165,62%
- Recognition of deferred tax assets pursuant to law no. 154/2019	-	576.000	-576.000	-100,00%
- Capital gains from sale of real estate	148.758	-	148.758	100,00%
- Capital gains on investment securities	-	24.177	-24.177	-100,00%
Total	916.669	701.697	214.972	30,64%
Extraordinary charges	-	-	-	-
- Write-down on investment securities transferred – loss on investment securities	-	750	-750	-100,00%
- Transaction claims	-	-	-	-
- Repayment of interest income, commissions	107	-	107	100,00%
- Termination of customer relations	-	15.988	-15.988	-100,00%
- Other extraordinary charges	413.461	641.260	-227.799	-35,52%
Total	413.568	657.998	-244.430	-37,15%

Extraordinary income increased compared to the previous year, due to contingent assets mainly related to expired liabilities.

35. Use of the provision for future risks and charges (item 250 of the consolidated profit and loss account)

Table 35.1: breakdown of item 250 “Change in the provision for future risks and charges”

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Change in consolidation provision for future risks and charges	-	249.399	-249.399	-100,00%
Total	-	249.399	-249.399	-100,00%

The Fund, established in 2023 in relation to the investment in NCO Immobiliare Srl, was used in 2024 to cover the 2023 loss of the same company, as well as to restore its share capital.

36. Change in the general financial risks fund (item 270 of the profit and loss account)

Table 36.1: breakdown of item 270 "Change in the general financial risks fund"

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Change in the general financial risk reserve	-	-1.423.222,00	1.423.222	-100,00%
Total	-	-1.423.222	1.423.222	-100,00%

No changes were recorded in the fund during the 2024 financial year.

37. Profit (Loss) for the year attributable to minority interests (item 280 of the consolidated profit and loss account)

DESCRIPTION	31/12/2024	31/12/2023	CHANGE	
			Amount	%
Profit (loss) for the year attributable to minority interests	-	-	-	-
1. San Marino Finanza e Previdenza Srl	11.965	40.778	-28.813	-70,66%
Total	11.965	40.778	-28.813	-70,66%

PART E – Other Information Tables

41. Securitisation Transactions

In the previous financial year, the Parent Company participated in the system-wide securitisation completed in December 2023, governed by Law no. 157/2021. Banca Agricola transferred a portfolio of non-performing loans, against which Veicolo di Sistema issued Senior, Mezzanine, and Junior class securities, the latter two being subscribed by BAC itself.

On 14/12/2023, BAC subscribed to ABS Junior and Mezzanine securities for a total nominal value of €11,411,168, included in the immobilised securities portfolio at a subscription price of 100; the ABS Senior security, with a nominal value of €6,368,692, was placed on the money market. Under the Transaction Programme and applicable regulations, part of the proceeds from the sale of the ABS Senior security was allocated as collateral for the transaction.

As part of the securitisation operation, the San Marino banks also undertook, in the interest of the Non-Banking Originators, to provide the Master and Special Servicer with the financial resources needed to meet the obligations arising from the payment of Mezzanine Costs. Accordingly, during the financial year, the Non-Banking Originators exchanged Mezzanine securities with the Banks in place of Junior securities. For the Parent Company BAC, this transaction resulted in an increase in Mezzanine securities, having a higher priority in the payment waterfall, and a decrease in Junior securities, for a total value of €1.260 million. The value of these securities as at 31/12/2024 was maintained at 100 based on the following considerations:

- Between the issuance of the notes and 31/12/2024, the securitisation performed better than initially expected for the June and December 2024 payment dates, as further evidenced by the partial repayment of the Senior tranche in an amount exceeding initial forecasts;
- The Junior tranche is subject to a specific prudential treatment that allows for the gradual absorption into regulatory capital. Supporting the operation's positive performance, BAC's risk weighting coefficient did not worsen in December 2024 due to cash flow trends.

The Mezzanine tranche is also subject to a penalising, though stable, prudential regime. Its current valuation is further supported by cash flow trends and business plan projections, which will nevertheless require periodic review.

It is also worth recalling that, to complete the securitisation and ensure the recovery of the loans transferred by the banks to the System Vehicle, the following companies were established:

- Master Servicer of the transaction, in which BAC holds a 10.08% stake in proportion to the loans contributed, along with the other San Marino banks and the Chamber of Commerce;
- S3 – Special Servicer Sammarinese Srl, appointed to act as the Special Servicer of the transaction, in which BAC holds a 33.00% share capital, together with the other originator banks.

The following table summarises the ABS securities held and included in the immobilised portfolio of the Parent Company.

ISIN	DESCRIPTION	31/12/2024	31/12/2023
XS2730789166	Veicolo di sistema 6% 23/46 mezzanine	746.607	-
XS2730789083	Veicolo di sistema 6% 23/46 mezzanine	516.352	-
XS2730789596	Veicolo di sistema tv% 23/46 junior	5.774.130	7.034.980
XS2730788945	Veicolo di sistema 6% 23/46 mezzanine	4.376.188	4.376.188
Total		11.413.277	11.411.168

42. Time distribution of assets and liabilities

Table 42.1: Time distribution of assets and liabilities

ITEMS / REMAINING DURATIONS 31/12/2024*	Total	At sight	Up to 3 months	From over 3 months to 6 months	From over 6 months to 1 year	From over 1 year to 18 months		From over 18 months to 2 years		From over 2 to 5 years		Over 5 years		Maturity not attributed
						F	T	F	T	F	T	F	T	
1) Assets	656.427.839	153.113.760	28.471.943	18.895.400	26.232.421	4.843.502	17.269.714	1.890.987	8.795.455	10.235.786	60.805.903	115.496.973	170.212.806	40.163.189
1.1 Treasury securities and other financial instruments eligible for refinancing with central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Loans to credit institutions	119.276.310	96.208.711	-	-	-	-	698.139	-	-	-	-	-	-	22.369.460
1.3 Loans to customers	259.470.360	46.492.650	24.618.785	9.596.776	11.434.695	1.091.509	8.900.744	1.107.520	8.795.455	5.206.919	43.829.392	10.467.475	76.575.080	11.353.360
1.4 Bonds and other debt financial instruments	245.835.440	-	1.537.921	4.963.395	5.390.615	3.087.455	7.670.831	-	-	2.669.884	16.976.511	103.460.733	93.637.726	6.440.369
1.5 Off-balance sheet transactions	31.845.729	10.412.399	2.315.237	4.335.229	9.407.111	664.538	-	783.467	-	2.358.983	-	1.568.765	-	-
2) Liabilities	558.872.267	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Due to credit institutions	5.275.248	2.973.492	123.233	220.834	145.804	698.139	58.148	-	45.026	596.618	306.831	-	107.123	-
2.2 Due to customers	518.326.129	432.709.564	-	60.154.808	25.461.757	-	-	-	-	-	-	-	-	-
2.3 Payables represented by financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Certificates of deposit	166.875.803	103.026	44.917.369	23.890.669	60.863.635	9.107.724	10.554.559	4.756.682	351.383	9.566.556	2.764.200	-	-	-
- Other financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other liabilities: cheques in circulation	1.024.173	1.024.173	-	-	-	-	-	-	-	-	-	-	-	-
2.5 Subordinated liabilities	2.400.988	1.600.659	-	-	800.329	-	-	-	-	-	-	-	-	-
2.6 Off-balance sheet transactions	31.845.729	10.412.399	2.315.237	4.335.229	9.407.111	664.538	-	783.467	-	2.358.983	-	1.568.765	-	-

43. More information on credit/debit cards/e-money

Table 43.1: amounts of money transfers

TYPE OF TRANSACTION	31/12/2024				31/12/2023			
	Transaction amount	Number of transactions	Commissions received	Expense recoveries	Transaction amount	Number of transactions	Commissions received	Expense recoveries
Credit cards	-	-	-	-	-	-	-	-
Debit cards	80.986.238	1.245.742	38.382	26.232	78.046.501	1.133.787	34.180	24.775
E-money	859.571	26.746	3.688	3.029	802.354	25.339	3.544	3.052
Total	81.845.809	1.272.488	42.070	29.261	78.848.855	1.159.126	37.723	27.827

Table 43.2: fraudulent uses

TYPE OF TRANSACTION	31/12/2024				31/12/2023			
	Transaction amount	Number of transactions	Charges to the intermediary	Insurance reimbursements	Amount of transactions	Number of transactions	Charges to the intermediary	Insurance reimbursements
Credit cards	-	-	-	-	-	-	-	-
Debit cards	7.958	100	-	-	7.431	21	-	-
E-money	269	7	-	-	1.916	42	-	-
Total	8.227	107	-	-	9.347	63	-	-

Table 43.3: credit cards revoked due to default

Data not present.

Table 43.4: data on acquiring activity

DESCRIPTION	31/12/2024		31/12/2023	
	Number	Amount	Number	Amount
P.O.S.				
Number of Points of Sale (P.O.S.) affiliated with the reporting entity	522	-	511	-
Number of merchants contracted with the reporting institution	436	-	434	-
Payment transactions at merchants affiliated with the reporting institution	599.338	37.340.477	617.855	41.691.931
A.T.M.				
Number of Automatic Teller Machines (A.T.M.) operated by the reporting institution	11	-	11	-
Withdrawal transactions at A.T.M. operated by the reporting institution	98.401	21.061.220	105.839	22.207.020
Transactions at A.T.M. operated by the reporting institution other than withdrawal transactions	745	19.105	1.271	31.760

44. Asset management companies: information on asset management (collective and individual)

Table 44.1: AMC – Details on the amount of assets under management

DESCRIPTION	31/12/2024	31/12/2023
A) Mutual funds established by the company:	-	-
Bac Global Cauto	37.587.138	34.305.032
Bac Global Prudente	32.601.498	32.462.254
Bac Global Bilancio	13.626.593	14.629.346
Bac Global Dinamico	4.125.935	18.821.937
Bac Global Equity	3.826.558	4.389.830
Bac Absolute Return	39.506.261	3.667.813
Bac Strategic Income	774.579	1.118.611
Total A) Mutual funds established by the company	132.048.562	109.394.823
B) CIS established by third parties and managed under delegation by the management company:	-	-
Total B) CIS established by third parties and managed under delegation by the management company	-	-
C) Assets managed individually by the management company:	-	-
Total C) Assets managed individually by the management company	-	-
Total	132.048.562	109.394.823

PART F – Other Information

With reference to Art. V.II.8, letter n), of BCSM Regulation no. 2016/02, it is noted that in 2024 BCSM imposed administrative sanctions on the Parent Company totaling €33,810. BAC paid the amount due within the same period by exercising the option of settlement (oblazione), resulting in a reduced payment of 50% (€16,905), which was recorded under extraordinary expenses in the item "Extraordinary Costs."

BCSM also imposed an administrative sanction of €800 on the subsidiary BAC Investments SG Spa, also paid at 50% through settlement (€400). The Company had already recorded the liability in the 2023 financial year under item 120 Provisions for risks and charges.

San Marino, 26 June 2025

The General Manager

The Chairman of
the Board of Directors

05

Independent auditors' report



audit business & development spa

REPORT OF THE INDEPENDENT AUDITOR PURSUANT TO ART. 33, PARAGRAPH 1, LETTER A) OF LAW 17 NOVEMBER 2005, N. 165 AND SUBSEQUENT AMENDMENTS (LISF) AND ART. VIII.1.1, PARAGRAPH 3 OF REGULATION NO. 2016-02 ISSUED BY THE CENTRAL BANK OF THE REPUBLIC OF SAN MARINO

*To the shareholders and the Board of Directors of
BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A.*

Judgement

We have audited the consolidated financial statements of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group (hereinafter also referred to as the "Group"), consisting of the consolidated statement of Assets and Liabilities as of 31/12/2024, the consolidated profit and loss account for the year ended on that date, and the accompanying Explanatory Notes to the Financial Statements.

In our opinion, the consolidated financial statements provide a true and fair view of the financial position and results of operations of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2024, in accordance with San Marino regulations, including Regulation no. 2016-02 issued by the Central Bank of the Republic of San Marino, which governs the drafting criteria.

Basis for judgment

We conducted our audit in accordance with the regulations in force in the Republic of San Marino and, where applicable, international auditing standards. Our responsibilities under these standards are further described in the "Responsibilities of the audit firm for the audit of the consolidated financial statements" section of this report. We are independent of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. (hereinafter the "Bank") in accordance with the ethical and independence requirements applicable to the audit of financial statements in the Republic of San Marino. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our judgment.

A note to public disclosure

Without prejudice our judgment, we draw attention to the information contained in the consolidated financial statements and in the Explanatory Notes in relation to the following important facts:

- The consolidated financial statements of the parent company as of 31/12/2024 were prepared by continuing the amortization of value adjustments resulting from the AQR (Asset Quality Review) exercise, permitted under Article 40 of Law No. 173/2018 together with the authorization of the Supervisory Authority (Prot. no. 20/5553 of 19/06/2020), over a 10-year period starting in 2019. As a result of the aforementioned amortization process, the deferred value adjustments recorded under item 150 "Other assets" of the consolidated statement of assets and liabilities as of 31/12/2024 amount to €18,327,047, with an impact on the 2024

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consolidated profit and loss account of €4,581,762, recorded under item 160 "Value adjustments on loans and provisions for guarantees and commitments."

- The Bank participated - as originator - in the system-wide Securitization operation pursuant to Law no. 157 of 30 August 2021 and subsequent amendments, finalized at the end of 2023. Regarding the securities derived from it (*mezzanine notes* and *junior notes*), the Bank maintained a book value equal to the issue value. These are fixed financial instruments, subject to a process of gradual and progressive risk-weighting for prudential supervision purposes, the determinations of which, in terms of the recovery value of the same, will be carried out by the Bank through ongoing verification of adherence to the business plan to which it is subject, with appropriate periodic revisions, all as further detailed and explained in paragraph 4.1 of the Explanatory Notes to the consolidated financial statements.

Responsibilities of directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for preparing the consolidated financial statements that provide a true and fair view in accordance with the regulations of San Marino, which govern the preparation criteria, and within the terms set by law, including the part of internal control deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are also responsible for assessing the Group's ability to continue as a going concern, and for the appropriate use of the going concern basis in preparing the consolidated financial statements, and for providing adequate disclosure on the matter. The directors shall apply the going concern basis unless they intend to liquidate the parent company Bank or cease operations or have no realistic alternatives to such actions.

The Board of Statutory Auditors is responsible for overseeing, within the limits set by law, the process of preparing the Group's financial information.

Responsibility of the auditing firm for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our judgment.

Reasonable certainty means a high level of security which, however, does not provide assurance that an audit carried out in compliance with the legislation in force in the Republic of San Marino and, where applicable, with the international auditing standards, will always identify a significant misstatement, if existing.

Misstatements may arise from fraud or error and are considered material if it is reasonably expected that they, individually or collectively, could influence the economic decisions of users taken based on the consolidated financial statements.

In conducting the audit in accordance with the regulations in force in the Republic of San Marino and, where applicable, international auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. In particular:

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- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks 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;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient and 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 as a whole. We are responsible for the management, supervision, and performance of the group audit. We remain solely responsible for our audit judgement.

We informed the managers of the governance activities, identified at an appropriate level, among other aspects, the scope and timing planned for the audit and the significant results that emerged, including any significant deficiencies in the internal control found during the audit.

Audit and accounting organisation company

ab & d audit business & development spa | Viale XXVIII Luglio, 212 - 47893 Borgo Maggiore RSM - Tel. 0549 888803 - Fax 0549 888804 - Legal recognition of 15 November 2004
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Report on other provisions of law and regulations

Judgment pursuant to article VIII.1.1, paragraph 2, letters a) and b) of Regulation no. 2016-02 issued by the Central Bank of the Republic of San Marino (the "Regulation")

The directors of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. are responsible for preparing the consolidated management report of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2024, including its consistency with the consolidated financial statements and its compliance with the Regulation.

We carried out the procedures set out in the auditing standard (SA Italia) no. 720B in order to express an opinion on the consistency of the consolidated management report with the consolidated financial statements of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2024 and its compliance with the Regulation, as well as to issue a statement on any material misstatements.

In our opinion, the consolidated management report is consistent with the consolidated financial statements of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2024 and is prepared in accordance with the Regulation.

With regard to the declaration referred to in Art. VIII.1.1, paragraph 2, letter b) of the Regulation, based on the knowledge and understanding of the entity and its context acquired during the audit, we have nothing to report.

Subsequent events

The consolidated financial statements present comparative data for the previous year, prepared in accordance with the San Marino regulations mentioned above, which were not subject to audit. Pursuant to Art. VIII.1.1, paragraph 2 of Regulation no. 2016-02, and limited to the first year of application of the consolidated financial statements, it was assumed by convention that the consolidation date of previously acquired investments for the purpose of calculating goodwill differences and elimination is January 1, 2023.

San Marino, 9 July 2025

AB & D Audit Business & Development S.p.A.

Marco Stolfi
Director

Audit and accounting organisation company

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