

Financial Statement 2025



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01

Corporate position

Board of Directors

Emanuele Cesarini
Chairman

Franco Gallia
Vice Chairman

Micaela Licia Menicucci
General Manager

Board Members

Elisa Fabris

Andrea Chioatto
(appointed by the Shareholders' Meeting on 27/05/2026)

Gian Primo Giardi

Board of Statutory Auditors

Vanessa Tavolini
Chairman
(appointed by the Shareholders' Meeting on 27/05/2026)

Erika Marani
Auditor
(appointed by the Shareholders' Meeting on 27/05/2026)

Roberto Protti
Auditor
(appointed by the Shareholders' Meeting on 27/05/2026)

General Management

Micaela Licia Menicucci
Direttore Generale

Riccardo Terenzi
Deputy Director

02

Shareholders' meeting

On **Wednesday, 27 May 2026** – first meeting at 5:00 p.m. and **second meeting at 5:30 p.m.** – venue Villa BAC, in via del Pubblico Precettore 31 - 47891 Falciano (Republic of San Marino), will hold the

SHAREHOLDERS' MEETING

To discuss the following

AGENDA

1. Review, discussion and approval of the financial statements for the year ended 31 December 2025, together with the notes to the financial statements and the report of the Board of Directors, and adoption of all related and consequent resolutions.
2. Report of the Board of Statutory Auditors on the financial statements for the year ended 31 December 2025;
3. Report of the Audit Firm on the financial statements for the year ended 31 December 2025;
4. Resignation of a Director and adoption of the related and consequent resolutions;
5. Appointment of the Board of Statutory Auditors following expiry of its mandate for the three-year period 2026–2028 and adoption of the related and consequent resolutions;
6. Determination of the amount to be allocated to charitable activities.

Pursuant to Article 16 of the Articles of Association:

"Only shareholders who are registered in the shareholders' register at least five days before the date set for the first meeting are entitled to attend the meeting."

Pursuant to Article 20 of the Articles of Association:

"The meeting is duly constituted when it is attended by as many shareholders who represent in person or by proxy:

- at least 65% of the share capital in first meeting;
- at least 50% of the share capital at second meeting.

At the first and second meeting, the Shareholders' Meeting resolves by a majority vote of the shares represented at the meeting.

-----omissis-----."

San Marino, 29 April 2026

The Chairman of the Board of Directors
Emanuele Cesarini

03

Report of the board of directors

Report of the board of directors on the 2025 financial statements

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The Macroeconomic Scenario

The international context

Global growth

In a context of stabilising trade tensions and favourable financial conditions, the global economy also demonstrated resilience during 2025, adapting to the new scenarios with differing momentum across countries and sectors. In France, growth was supported by the boost provided by aerospace exports, while in Germany the decline in exports continued to weigh on economic activity. In Spain and the United Kingdom, the economy was driven by technology-related investments; in the United States, such investments supported the acceleration of growth, offsetting the negative impact of the federal shutdown.

In the Asian economies, strong performance was recorded in exports of semiconductors and other equipment, reflecting growing investment in the information and technology sectors. Nevertheless, growth was not particularly strong. In fact, in Japan private consumption partially offset the contraction in private residential investment and exports, while in China growth slowed due to weak domestic demand, despite the performance of exports.

Inflation

During 2025, global annual inflation remained stable at 4.1%, with a downward trend; forecasts indicate an overall decrease (3.8% in 2026 and 3.4% in 2027), with divergent dynamics across the various countries.

Indeed, according to the most recent projections, US inflation, following the gradual absorption of tariff increases, is expected to return below the 2.0% threshold in 2027. In the euro area, overall inflation is expected to remain around 2%, with core inflation reaching this target in 2027. In Japan, inflation is stabilising around 2%, with an upward trend caused by energy costs and the weakness of the yen. In 2026, inflation in China is showing signs of a moderate recovery, standing at 1.0% in March after a previous peak. Forecasts indicate that levels will remain contained, estimated at around 1.2% by the end of the quarter.

Monetary policy

Central banks adopted a cautious approach to the easing of monetary policy, allowing themselves to be guided by indicators relating to economic activity and the labour market, as well as by exchange rates.

In September 2025, after a nine-month pause, the Federal Reserve announced a 25-basis point cut aimed at managing downside risks to employment, bringing rates to a range between 4% and 4.25%. During the year, with the objective of

achieving maximum employment and inflation at 2% over the long term, the FED continued along this path with two additional cuts of 25-basis points, which brought US rates down to the new range between 3.5% and 3.75%.

On the European front, at the January and March meetings, the ECB lowered the deposit interest rate by a total of 50 basis points, bringing it to 2.5%. The rate was further reduced by 50 basis points at the subsequent April and June meetings, bringing it to 2.0%. Thereafter, the ECB kept official rates unchanged. Despite this decline, lending dynamics remained moderate, affected by weak demand and trade tensions; the latter, in particular, prompted a reallocation of financing from long-term maturities towards short-term maturities. After decades characterised by zero or negative interest rates, during 2025 the Bank of Japan (BoJ) continued decisively with interest rate increases, bringing the reference rate to 0.75%. In the same year, the People's Bank of China (PBoC) carried out only one cycle of cuts to the main interest rates, concentrated in the month of May, bringing the 1-year Loan Prime Rate (LPR) from 3.1% to 3.0% and the 5-year LPR (mortgages) from 3.6% to 3.5%.

Fiscal policies and public debt

The OECD Tax Policy Reforms confirms, at a general level, a tightening of the fiscal stance aimed at rebuilding fiscal policy room for manoeuvre. High levels of debt, combined with significant emerging expenditure requirements linked to climate change, ageing and, in some countries, increased defence spending, have led various national jurisdictions to adopt strategies to mobilise greater revenues.

At the same time, the main international organisations, together with the ECB, renewed their call for states to consolidate their fiscal policy in order to place public debt on a sustainable path carefully calibrated to economic conditions. Overall, according to the Institute of International Finance (IIF), global debt is approaching the threshold of USD 346 trillion, equal to approximately 310% of global GDP.

Growth prospects

It is foreseeable that the Middle Eastern crisis and the resulting escalation in Iran involving Israel, the United States and the Gulf countries will have significant effects on the global economy.

Net of the effects arising from the opening of this new war scenario, the latest data published by the International Monetary Fund (WEO JAN 2026), released prior to the outbreak of hostilities, forecast that global growth will remain stable also thanks to the momentum of the high-tech sectors and the gradual easing of the effects of tariffs on the level of economic activity.

More specifically, the global economy is expected to grow by 3.3% in both 2025 and 2026, with a slight easing to 3.2% in 2027, as a result of a balance between divergent forces: on the one hand, the difficulties connected with changing trade policies and, on the other hand, increasingly substantial investments in

technology, fiscal and monetary support, generally accommodative financial conditions and the adaptability of the private sector.

Growth estimates for the US economy for 2025 stand at +2.1%; projections for 2026 are 2.4%, as a result of fiscal policy, the lower monetary policy rate and the gradual reduction in the impact of trade barriers, and 2.0% for 2027, also due to the weakening of the boost from the technology sector.

In the Eurozone, growth is expected to remain stable; the estimate for 2025 is +1.4%, while projections for 2026 and 2027 indicate +1.3% and +1.4% respectively. Compared with other regions, the Eurozone benefits less from the recent technology-driven investment boost. Furthermore, the persistent effects of rising energy prices following Russia's invasion of Ukraine continue to slow the manufacturing sector, with additional pressure arising from the real appreciation of the euro against the currencies of countries exporting similar products.

Growth estimates for the Japanese economy, also thanks to the fiscal stimulus package announced by the new government, stand at +1.1% for 2025, with projections of +0.7% for 2026 and +0.6% for the following year.

In emerging markets and developing economies, growth continues at a sustained pace, with a forecast of 4.4% for 2025 and an estimate of 4.2% for 2026 and 4.1% for the following year. As regards China, stimulus measures and additional lending by policy banks for investment contributed to the upward revision of growth estimates for 2025, which stand at 5%, with slowing projections for the following two-year period (+4.5% for 2026 and +4% for 2027). These projections are affected, on the one hand, by the effects of the two-year trade truce with the United States and the stimulus measures and, on the other hand, by the emergence of structural difficulties.

The following table, taken from the WEO JAN 2026, sets out the growth forecasts prepared by IMF experts.

World economic outlook, January 2026 Update

Table 1. Overview of the world economic outlook projections
(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
	2024	Estimate	Projections		Difference from October 2025 WEO Projections 1/		Estimate 2025	Projections	
		2025	2026	2027	2026	2027		2026	2027
World output	3,3	3,3	3,3	3,2	0,2	0,0	2,9	3,2	3,2
Advanced economies	1,8	1,7	1,8	1,7	0,2	0,0	1,4	1,9	1,7
United States	2,8	2,1	2,4	2,0	0,3	-0,1	2,2	2,1	2,1
Euro area 3/	0,9	1,4	1,3	1,4	0,1	0,0	0,9	1,7	1,3
Germany	-0,5	0,2	1,1	1,5	0,2	0,0	0,4	1,0	1,5
France	1,1	0,8	1,0	1,2	0,1	0,0	1,0	0,9	1,3
Italy	0,7	0,5	0,7	0,7	-0,1	0,1	0,7	0,7	0,7
Spain	3,5	2,9	2,3	1,9	0,3	0,2	2,7	2,0	1,9
Japan	-0,2	1,1	0,7	0,6	0,1	0,0	0,2	1,5	0,4
United Kingdom	1,1	1,4	1,3	1,5	0,0	0,0	1,1	1,4	1,9
Canada	2,0	1,6	1,6	1,9	0,1	0,0	0,7	2,3	1,5
Other advanced economies 4/	2,3	1,8	2,0	2,1	0,0	0,0	1,3	2,8	2,7
Emerging market and developing economies	4,3	4,4	4,2	4,1	0,2	-0,1	4,0	4,3	4,2
Emerging and developing Asia	5,3	5,4	5,0	4,8	0,3	0,0	4,9	5,0	4,8
China	5,0	5,0	4,5	4,0	0,3	-0,2	4,4	4,5	4,1
India 5/	6,5	7,3	6,4	6,4	0,2	0,0	6,2	6,5	6,5
Emerging and Developing Europe	3,5	2,0	2,3	2,4	0,1	0,0	1,6	2,1	2,4
Russia	4,3	0,6	0,8	1,0	-0,2	-0,1	-0,5	0,6	1,1
Latin America and the Caribbean	2,4	2,4	2,2	2,7	-0,1	0,1	1,9	2,8	2,4
Brazil	3,4	2,5	1,6	2,3	-0,3	0,1	2,2	2,3	2,2
Mexico	1,4	0,6	1,5	2,1	0,0	0,1	0,7	2,2	2,1
Middle East and Central Asia	2,7	3,7	3,9	4,0	0,1	0,2	...	...	...
Saudi Arabia	2,6	4,3	4,5	3,6	0,5	0,4	4,3	4,5	3,6
Sub-Saharan Africa	4,1	4,4	4,6	4,6	0,2	0,1	...	...	...
Nigeria	4,1	4,2	4,4	4,1	0,2	0,1	3,9	4,3	6,5
South Africa	0,5	1,3	1,4	1,5	0,2	0,0	1,8	1,2	1,7
Memorandum									
World growth based on market exchange rates	2,8	2,8	2,8	2,6	0,2	-0,1	2,4	2,7	2,6
European Union	1,2	1,5	1,5	1,6	0,1	0,0	1,3	1,5	1,6
ASEAN-5 6/	4,6	4,2	4,2	4,4	0,1	0,1	4,1	4,2	4,6
Middle East and North Africa	2,2	3,4	3,9	4,0	0,2	0,3	...	...	...
Emerging market and middle-income economies	4,4	4,3	4,1	4,1	0,2	0,0	4,0	4,2	4,1
Low-Income developing countries	4,2	4,6	5,1	5,1	0,1	-0,2	...	...	...
World Trade Volume (goods and services) 7/	3,6	4,1	2,6	3,1	0,3	0,0	...	...	...
Advanced Economies	2,0	3,0	1,9	2,4	0,4	0,2	...	...	...
Emerging market and developing economies	6,3	5,7	3,6	4,4	0,0	0,0	...	...	...
Commodity prices									
Oil 8/	-1,8	-14,2	-8,5	0,1	-4,0	0,3	-14,2	-1,4	0,9
Nonfuel (average based on world commodity import weights)	3,7	9,4	7,5	0,9	3,4	0,3	13,3	0,8	0,6
World consumer prices 9/	5,8	4,1	3,8	3,4	0,1	0,0	3,4	3,1	3,0
Advanced economies 10/	2,6	2,5	2,2	2,1	0,0	0,0	2,5	2,1	2,1
Emerging market and developing economies 9/	7,9	5,2	4,8	4,3	0,1	0,1	4,2	3,9	3,6

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 21–November 18, 2025. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. "..." indicates that data are not available or not applicable. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2025 WEO forecasts. Countries for which forecasts have been updated relative to October 2025 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.

3/ Quarterly GDP growth forecasts for euro area are based on six economies (France, Germany, Ireland, Italy, the Netherlands, and Spain) which account for approximately 85 percent of euro area GDP.

4/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries. The projection for 2027 Q4 over Q4 GDP growth accounts for approximately 44 percent of group output at purchasing-power-parity weights.

5/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2024/25 (starting in April 2024) shown in the 2024 column. India's growth projections are 6.3 percent for 2026 and 6.5 percent for 2027 based on calendar year.

6/ Indonesia, Malaysia, Philippines, Singapore, Thailand. ASEAN = Association of Southeast Asian Nations.

7/ Simple average of growth rates for export and import volumes (goods and services).

8/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 20, 2025), is \$62.13 for 2026 and \$62.17 for 2027.

9/ Excludes Venezuela.

10/ The assumed inflation rate for the euro area is 1.9 percent for 2026 and 2.0 percent for 2027, that for Japan is 2.3 percent for 2026 and 2.1 percent for 2027, and that for the United States is 2.4 percent for 2026 and 2.2 percent for 2027.

Markets in general

The progressive increase in volatility, which intensified from the beginning of April, characterised the financial markets during the first quarter of 2025. Signs of weakening economic activity and uncertainty regarding trade policies negatively affected yields on US government securities, whose downward trend became more pronounced following the introduction of tariffs imposed by the Trump Administration. In the euro area, on the other hand, yields remained substantially unchanged before declining with the intensification of trade tensions. Equity prices fell significantly in the United States, Japan and Europe, affected by a sharp downward correction in a context of high volatility. On the foreign exchange market, from mid-February onwards, the dollar weakened against the euro and the yen, following the strong appreciation recorded after the elections in the United States.

The uncertainty generated by trade tensions significantly influenced financial markets during the second quarter of 2025, with a clear reduction in global investors' exposure to certain dollar-denominated assets. Meanwhile, the renewed climate of uncertainty pushed up gold prices, gold being the safe-haven asset par excellence.

Political uncertainty and fears of a deterioration in public finances led to a significant increase in government bond yields in Japan, the United Kingdom and France during the third quarter of 2025. During the same period, government bond yields declined further in the United States, once again thanks to the increasingly accommodative stance adopted by the Federal Reserve. On the main stock exchanges, share prices progressively increased as a result of sustained earnings performance, particularly in the technology sector, and a greater investor appetite for risk. On the foreign exchange front, the euro consolidated, with its exchange rate remaining stable against the main currencies.

Government bond yields resumed their upward trend during the fourth quarter of 2025, reflecting the increase in the term risk premium at global level, which was also affected by the prospect of more expansionary fiscal policies in certain countries; the increase was more contained in the main European countries and in the United States, and more marked in Japan. As regards equity prices, a volatile trend was recorded, triggered by fears of overvaluation in certain segments of the technology sector in the United States.

Equity indices

2025 saw global equity markets grow, supported by a stable macroeconomic environment and enthusiasm for artificial intelligence, despite temporary shocks caused by trade policies, US tariffs and the persistence of conflicts. In particular, market capitalisation was positively affected by:

- the acceleration of AI and the development of data centre infrastructure, which generated new demand for semiconductors, software and cloud services, with leading companies increasing both value and employment;
- geopolitical tensions, which drove up the valuations of companies operating in the defence and cybersecurity sectors;

- investments in conventional and alternative energy sources supporting the growth of digital systems and renewable energy, which boosted electricity, oil & gas and utility companies;
- the growing demand for metals (copper, lithium and nickel), which are essential for batteries and green technologies.

2025 was also a positive year for the European stock exchanges. In particular, the Italian Stock Exchange recorded an increase in overall market capitalisation of €1,042 billion, with the FTSE MIB index and the FTSE Italia All-Share index closing the year with growth of 30%.

In the United States, both the Nasdaq index and the S&P 500 moved into positive territory, recording growth of 21.3% and 17.2% respectively, resisting the uncertainties generated by political developments and the interest rate cycle and posting significant returns in "tech" stocks and leading innovation companies. Lastly, the Tokyo and Hong Kong stock exchanges grew by 26.2% and 27.8% respectively, driven by the technology, automotive and infrastructure sectors.

Bond indices

Overall, the bond market recorded its best performance of recent years in 2025, thanks to an accommodative monetary policy in the major global economies. This trend was not uniform across all asset classes due to political tensions, macroeconomic uncertainty and concerns regarding high debt levels and the inflation trajectory.

Among government securities, Italian BTPs were the best-performing in Europe, also thanks to confidence in the government's fiscal policy; the spread between the ten-year Italian bond and the German Bund practically halved during 2025, falling from 130 basis points in March to approximately 70 basis points in December.

Political instability, persistent inflation, restrictive monetary policy and fiscal policy with limited room for manoeuvre affected Japanese government securities, which were among the worst-performing sovereign bonds of 2025.

2025 was also a positive year for corporate bonds, with spreads at multi-year lows in both the United States and Europe. Within the corporate credit market, the best-performing segment was that of European financial bonds, which benefited from strong financial statement results and the decline in non-performing loans. Furthermore, after years of disappointing performance and substantial outflows by international investors, 2025 was also a positive year for emerging bond markets, given that the resumption of interest rate cuts by the FED increased interest in seeking and capturing yields on emerging currencies through investment in local bonds.

Currencies

After the sharp appreciation recorded between November 2024 and the first half of January 2025, the US dollar weakened significantly, particularly against the euro and the yen, reflecting the marked decline in yields on US government securities

compared with those in the euro area and Japan, as well as the intensification of tensions connected with the prospect of new tariffs. The appreciation of the euro continued between April and July, alongside the weakening of the US dollar both against the main advanced economy currencies and against many emerging market currencies. The summer months were characterised by the substantial stability of the euro against the major currencies, while the increase in political uncertainty recorded in France in October led to a temporary weakening of the European currency against the dollar, largely recovered towards the end of the year, with an overall loss for the US currency of 11.77%.

Cryptocurrencies

In 2025, Bitcoin and Ethereum consolidated their role as leading players in the cryptocurrency market, although with very different dynamics. In fact, Bitcoin maintained its position as a safe-haven asset, recording growth of 16% up to March 2025 before fluctuating around USD 100,000, while Ethereum recorded a stronger performance thanks to spot ETFs and technological upgrades to the network, despite losses at the beginning of the year, which were then largely recovered with increases, for short periods, exceeding 50%.

Commodities

Gold prices also recorded a significant increase in 2025, closing the year at approximately €120 per gram (compared with €80 at the end of 2024) and reaching their highest levels of the last 10 years. The rise in gold prices resulted from a combination of geopolitical, economic and monetary factors that contributed to fuelling a climate of uncertainty, confirming gold as the safe-haven asset par excellence during turbulent periods for institutional investors, small savers and central banks.

The oil market also continued to show volatility during 2025. Geopolitical conflicts significantly affected oil prices, with oil closing the year slightly above USD 60 per barrel, after having approached USD 80 in June.

Natural gas prices recorded a downward trend, with a provisional annual average for 2025 of €0.412/Smc, heavily affected by the high prices recorded at the beginning of the year. Gas price dynamics were influenced in particular by global demand, geopolitical conditions, storage levels and market forecasts. Copper represented one of the most strategic commodities of 2025. Strong industrial demand, driven by infrastructure and the energy transition, together with the market deficit caused by reduced production at the main mines, pushed prices upwards during the year.

The Italian economy

Growth slows down

Growth in the Eurozone remained moderate, affected by the international environment, which continued to be influenced by persistent political instability, ongoing conflicts and uncertainty regarding trade policies.

The projections prepared by Eurosystem experts forecast Euro area GDP growth of 1.2% for 2026 and 1.4% for the following two-year period, broadly in line with those recently published by the International Monetary Fund.

Compared with the European context, growth estimates for the Italian economy, similarly to those for France and Germany, remain more contained, with GDP growth projections of 0.6% for 2026 and around 0.7% for the following two-year period.

Employment

As regards employment, the expansion in the number of people employed, which has been progressively increasing since 2021, continued, albeit at differing rates. In the first quarter of 2025, the number of employed persons increased, remaining broadly unchanged during the following two quarters before rising again in the autumn months.

ISTAT sources report that the number of employed persons in 2025 increased by 62 thousand units (+2.58%); during the year, the number of workers employed under permanent employment contracts (+161 thousand units) and self-employed workers (+147 thousand units) increased, while fixed-term workers decreased (-245 thousand units). Contractual wages recorded, on average, growth of 3.1% for the second consecutive year, achieving a partial recovery compared with inflation (HICP +1.7%); at sector level, the most significant increase was recorded in the private sector (+3.2%), while, as a result of the renewal of contracts relating to the 2022-2024 three-year period, public administration wages increased by 2.7%.

Industrial production

In 2025, Italian manufacturing confirmed its position as the eighth largest in the world and the second largest in Europe. It was one of the main contributors to Italian growth, contributing 15% to GDP (approximately 33% if related industries are also considered) and generating more than 60% of total national production. Net of calendar effects, industrial production in 2025 declined by 0.2% compared with the previous year. In general, with the exception of energy (+1%), the main industrial groupings recorded an overall decrease compared with the previous year (-0.5% for consumer goods, -0.4% for capital goods and -0.6% for intermediate goods).

Inflation

In the first months of the year, inflation rose again, slightly exceeding the 2% threshold due to increases in energy product prices, before declining again during the second and third quarters, reflecting very weak dynamics in the prices of non-energy goods and stronger dynamics in services and food products. In the last quarter of 2025, inflation stood at 1.2%, well below that recorded in the Euro area (+2.0%), as a result of modest growth in service prices and the marked decline in energy prices, which during the 2022-2023 period had increased more significantly than in the main European countries.

Investments and consumption

The first half of 2025 was characterised by strong growth in investments, continuing the trend recorded towards the end of 2024, thanks to companies' liquidity reserves, the decline in interest rates, the possibility of making use of tax incentives and the implementation of the measures provided for under the NRRP. In particular, expenditure on investments in machinery and equipment, intangible assets and residential and non-residential construction increased. In the second half of 2025, investment growth slowed slightly as a result of the contraction in residential construction investments. Conversely, strong growth in investments in machinery and equipment continued, alongside stable growth in investments in intangible assets.

The climate of global uncertainty and the resulting increase in the propensity to save negatively affected the spending dynamics of Italian households, which grew moderately in the first half of 2025 despite the expansion in employment and real wages.

Credit and financing conditions

The cost of bank funding progressively declined during the first half of 2025, in line with reductions in official interest rates; between February and May, the marginal cost of bank funding fell by 24 basis points, reaching 1.2%. This trend was also confirmed in the following quarter, during which a further reduction in funding costs of 9 basis points (1.1%) was observed, while during the autumn months it remained substantially unchanged.

Interest rates on new loans to businesses followed a downward trajectory during the first nine months of the year (from 4.0% in February to 3.4% in August), remaining stable during the final quarter of 2025. Conversely, interest rates on new mortgages to households remained unchanged during the first half of the year before increasing slightly in the third quarter (3.3%) and remaining at that level until the end of the year.

Given the context of high uncertainty, credit demand and lending policies were oriented towards prudence, especially during the first part of the year.

On the corporate side, the first half of 2025 saw a moderation in the contraction of financing granted to larger companies. During the year, a progressive increase

in financing to households was also observed (from 0.7% in February to 2.3% in November), as a result of the improvement in mortgage dynamics and the growth in consumer credit.

The San Marino scenario

Growth estimates

The reports recently published by the International Monetary Fund and the rating agencies S&P Global Ratings, Fitch and Morningstar DBRS provide a picture of a growing Sammarinese economy, thanks to the strength of domestic demand, which has been able to offset the weakness in exports. Experts estimate GDP growth of 1.3% for both 2026 and 2027, driven by investments and domestic consumption, as well as by the recovery in external demand, despite gooeconomic risks, trade tensions, commodity price volatility and prolonged uncertainty.

Fiscal position and public debt

The prudent management of expenditure and the higher revenues generated by dividends from investee companies and direct taxes laid the foundations for a public finance performance above expectations, with a progressive consolidation of the budget position and a public debt trajectory that has significantly improved from the 75.1% peak recorded in 2021, also thanks to the gradual growth in GDP. Accordingly, the experts in Washington, within a context of high global uncertainty and given the approaching maturity of the €350 million Eurobond in January 2027, advocated prudent macroeconomic policies, recommending a further moderate fiscal effort through the implementation of the IGR reform, the introduction of VAT, the digitalisation of the Public Administration, the improvement of public spending efficiency and the containment of the growth in pensions and public sector wages.

The experts also renewed their call to continue with horizontal reforms aimed at supporting productivity, on the assumption that the finalisation of the Association Agreement with the European Union will act as a stimulus both for the reforms themselves and for growth.

Economic indicators

The significant improvement in the key rating drivers enabled the Republic of San Marino to regain an investment grade rating. More specifically, the efforts of the Republic were recognised by DBRS Morningstar at the end of 2023, when it assigned a BBB Low rating, and again at the end of 2025, with the Outlook upgraded to positive, as well as by Standard & Poor's in 2024 (BBB-) and in 2025 (BBB+). Likewise, Fitch Ratings, after assigning a BB+ rating in 2024, during 2025

first improved the Outlook from stable to positive and subsequently upgraded the rating itself to investment grade level (BBB-) with a positive Outlook.

Economic indicators

With the aim of providing a picture of the Sammarinese economy, the main indicators are set out below.

The number of companies operating within the territory increased from 5,247 in December 2024 to 5,318 in December 2025, with a positive balance of 71 units. The average workforce figure for 2025 stood at 25,309 units (14,145 men and 11,164 women). The positive performance of the Sammarinese labour market is also confirmed by the favourable trend in the total employment rate, which increased on average during the year by approximately 2 percentage points, and by the improvement in the domestic employment rate, which stood at 69.34%. As regards the total unemployment rate and the unemployment rate, these stood on average at 4.34% and 2.52% respectively, substantially confirming the figures recorded in the previous year.

Inflation

The Sammarinese price index showed an upward trend compared with 2024, driven by the acceleration recorded in the "Food products and non-alcoholic beverages" category (+4.3%). In contrast, the "Transport" category (-0.5%) was the only category in which a slight decline in prices was recorded.

The conflict in the Middle East

The conflict between the United States, Israel and Iran, which broke out in March 2026, is generating a geopolitical shock with severe systemic repercussions on the global economy and financial markets. The energy sector is the epicentre of the crisis due to the strategic role of the Middle East. The blockage, or threat of closure, of the Strait of Hormuz has triggered fears of a shortage in global supply. Gold prices increased significantly, reflecting investors' flight towards safer assets during the period of volatility.

In terms of Monetary Policy, central banks (FED and ECB) could raise interest rates to counter inflationary pressures, despite slowing growth.

Uncertainty has severely affected international stock markets, with market dynamics influenced by news relating to attacks on energy infrastructure and retaliatory actions. The consequences for the real economy threaten post-pandemic stability:

- risk of recession: analysts warn that a prolonged conflict could push the global economy, and particularly the US economy, into recession;
- inflationary pressures: the surge in energy and maritime transport costs is fuelling inflation, forcing central banks (such as the Federal Reserve) to reconsider their monetary policies;

- trade and logistics: rising maritime insurance costs and the need for alternative routes are slowing global supply chains.

The San Marino financial system

In continuity with the trends recorded in previous financial years, systemic dynamics confirm the constant improvement in the technical profiles of the Sammarinese banking system in terms of liquidity, capitalisation and profitability, with asset quality undergoing significant improvement.

Building on the positive results achieved, the system continues to implement initiatives aimed at resolving the remaining critical issues, mainly arising from non-performing or poorly remunerative components of assets, and at achieving regulatory alignment, looking with confidence and determination towards progressive European integration, which will be sanctioned by the hoped-for signing of the Association Agreement.

Operators

As at 31 December 2025, the Sammarinese financial sector consisted of 12 authorised entities incorporated under Sammarinese law. More specifically: 4 banks, 3 management companies, 1 insurance company, 1 finance company and 3 payment institutions. Furthermore, following completion of the relevant authorisation procedure, 49 foreign financial undertakings were authorised to carry out reserved activities under the cross-border provision of services regime, of which: 45 foreign insurance undertakings authorised to conclude insurance contracts in San Marino, 1 foreign bank authorised to grant instrumental financing and 3 foreign undertakings authorised to provide payment services. Completing the framework of supervised entities are 2 servicing companies incorporated under Sammarinese law and 1 special purpose vehicle, established as part of the system-wide securitisation transaction finalised in 2023, 33 insurance and reinsurance intermediaries, 1 payment service provider not included among the authorised entities and 1 financial promoter.

Deposits

Also, during the past year, depositors continued to reward the banking sector

¹ Quarterly Information Bulletin of the Central Bank of the Republic of San Marino, fourth quarter of 2025.

with their confidence, as confirmed by system data¹, which show positive dynamics in bank deposits, both in terms of total deposits and of the individual components thereof.

In particular, total deposits as at 31 December 2025 amounted to €6,997 million, recording an annual increase of 7.76% - equal to €504 million - and of 26.87% over the five-year period 2021–2025, as shown in the graph below.

Examining its components in detail, direct deposits recorded an annual increase of 1.32%, equal to €49 million, while indirect deposits, also driven by market performance, showed annual growth of 16.38%, amounting overall to €455 million.

Loans

With regard to loans, 2025 recorded a reversal in trend both in terms of gross loans and net loans. In fact, following the significant contraction recorded in December 2023 as a result of the system-wide securitisation transaction and write-off operations, gross loans showed an annual recovery of 5.18% - equal to €54 million - while net loans recorded an increase of 6.00%, amounting overall to €58 million.

The strategy of progressively reducing NPEs and the regulatory measures aimed at reducing the risks arising from impaired credit exposures and preventing their reaccumulation positively affected loan quality.

Indeed, as confirmed by the Central Bank of the Republic of San Marino in the *Position Paper* – “Challenges and opportunities for the Sammarinese Financial System”, published in February 2026, the system NPL ratio (gross of value adjustments) decreased from 61.3% in 2019 to 19% in 2024 and, over the same period, the incidence of bad loans on total loans (gross of value adjustments) decreased from 29% to 9.5%. Net of value adjustments, the NPL ratio decreased from 37% in 2019 to 13.2% in 2024, while the incidence of bad loans on total loans decreased from 17% to 5.2%. The most recent data published by the CBSM² report further improvements in this ratio which, as at 31 December 2025, stood at 16.3% on a gross basis and 11.1% on a net basis.

Equity

The banking system's equity follows an upward trajectory, as highlighted in the above-mentioned *Position Paper*, increasing from €253 million in December 2019 to €341 million in December 2024; according to the latest Quarterly

² Quarterly Information Bulletin of the Central Bank of the Republic of San Marino, fourth quarter of 2025.

Bulletin published by the CBSM, this figure recorded a further increase as at 31 December 2025, standing at €358 million.

The regulatory capital of the banking system also recorded a positive trend over the observation period, increasing from €163 million at the end of 2019 to €281 million at the end of 2024.

The solvency ratio also followed the same positive trajectory and, at the end of 2024, stood at 18.2%, well above the required regulatory threshold of 11%.

Profitability

The Sammarinese banking system returned to expressing adequate profitability starting from 2021, driven by the positive effects resulting from the increase in interest rates and thanks to policies aimed at the progressive reduction of operating costs.

As shown in the CBSM *Position Paper*, earnings dynamics and the containment of operating expenses positively affected the cost-income ratio, which fell from 109.1% in 2019 to 56.7% in 2024, after reaching its lowest level of 52.9% in 2023.

Liquidity

Over the same period, the liquidity of the banking system also improved significantly, with the 7-day position which, according to the Position Paper, stood at €1,373 million in July 2025, more than doubling the €626 million recorded at the end of 2019.

The regulatory framework evolution and compliance activities

San Marino legislation and compliance activities

During 2025, the Compliance Function of the BAC Group ensured the updating of internal regulations, procedures and processes in line with the Sammarinese regulatory framework aligned with continuously evolving international standards.

Banking and financial regulation

The following Regulations issued by the Central Bank of the Republic of San Marino during the current financial year are noted below:

- *Regulation no. 2025-01 "Miscellaneous targeted review interventions to the current supervisory provisions"*, the measure updates secondary-level regulations following the changes occurring in the primary-level regulatory framework and consolidates, on a regulatory basis, the interpretative and application guidelines already expressed by the Supervisory Authority;
- *Regulation no. 2025-02 "Regulation on independent financial advisers"*, governing the professional exercise within the territory of the Republic of San Marino of independent financial advisory activities carried out by independent financial advisers;
- *Regulation no. 2025-03 "Regulation updating the provisions regarding SEPA payment transactions"*; the measure amends Regulation no. 2024-04 "Regulation on investment transactions" by postponing, from 9 October 2025 to 9 July 2027, the deadline by which Sammarinese Payment Service Providers (PSPs) are required to offer their customers the service of sending instant euro transfers (the receiving service is already operational), together with the ancillary Verification of Payee (VoP) service on all outgoing transfers, including non-instant transfers;
- *Regulation no. 2025-04 "Regulation on the investor compensation fund"*, implementing Article 100-bis of Law no. 165/2005 and subsequent amendments and integrations, in order to introduce also in San Marino a guarantee scheme which, up to a limit of €20,000 per investor, compensates investors in cases of compulsory administrative liquidation of an Investment Service Provider (ISP) - typically banks and investment firms - where the liquidators, due to previous breaches of asset segregation rules, are unable to return to customers the financial instruments pertaining to them and entrusted for administration or management;
- *Regulation no. 2025-05 "Regulation concerning corporate officers of financial undertakings"*; the measure consolidates into a single regulation the entire discipline concerning corporate officers of authorised entities

and aligns the matter with the content of European Union Directives and Regulations, as well as with the documents issued by the European Supervisory Authorities (ESAs).

Further measures of interest for the banking and financial system are listed below:

- *Law no. 30 of 3 March 2025 "Measures for consolidation, economic development, cost containment and tax provisions";* among the provisions of interest for the banking system, reference should be made to the provisions concerning the guarantees of the Most Excellent Chamber on pension fund resources and the treatment of contribution-related debts in bank resolution procedures;
- *Law no. 64 of 28 April 2025 "Extraordinary measures for the housing emergency";* the measure reintroduces the State guarantee for first-home mortgages in specific cases.
- *Delegated Decree no. 156 of 19 December 2025 "Amendment to Law no. 174 of 27 November 2015 - International tax cooperation",* implementing the changes introduced to the CRS standard concerning the automatic exchange of information.

Furthermore, with regard to Anti-money laundering matters, the following sector regulations should be noted:

- *Congress of State Resolution no. 34 of 28 January 2025 "List of functions qualifying as prominent public functions - Politically exposed persons";*
- *Congress of State Resolution no. 29 of 4 March 2025 "Correction of previous Congress of State Resolution no. 34 of 28 January 2025 - List of functions qualifying as prominent public functions - Politically exposed persons".*

Major legislative interventions in the San Marino legal system

TITLE	SUBJECT MATTER
"Provisions regarding information, commercial practices and other commercial communications"	Consumer protection
"Provisions regarding safety, product quality and legal and contractual guarantees"	Consumer protection
"Consumer Conciliation Chamber"	Consumer protection
"Miscellaneous targeted review interventions to the current supervisory provisions"	Supervisory provisions
"List of functions qualifying as prominent public functions - Politically exposed persons"	Anti-money laundering
"Variation in the cost of living and related coefficients pursuant to Article 32, paragraph nine of Law no. 15 of 11 February 1983"	Tax and fiscal matters
"Adjustment of the pension cap referred to in Article 14 of Law no. 157 of 29 November 2022"	Labour law
"Amendments to Delegated Decree no. 51 of 21 March 2023 – Innovative Consolidated Text of Provisions concerning electronic communication with the Administration and access to the Administration's online services"	Administrative
"Amendments to Law no. 118 of 28 June 2010 and subsequent amendments 'Law on the entry and stay of foreigners in the Republic'"	Tax and fiscal matters
"Measures for consolidation, economic development, cost containment and tax provisions"	Tax and fiscal matters
Correction of previous Congress of State Resolution no. 34 of 28 January 2025 "List of functions qualifying as prominent public functions - Politically exposed persons"	Anti-money laundering
"Safeguarding the effects of Delegated Decree no. 192 of 6 December 2024 – Safeguarding the effects of Delegated Decree no. 137 of 29 August 2024 'Support measures for the redevelopment of hotel accommodation facilities'"	Credit
"Safeguarding the effects of Delegated Decree no. 192 of 6 December 2024 – Safeguarding the effects of Delegated Decree no. 137 of 29 August 2024 'Support measures for the redevelopment of hotel accommodation facilities'"	Credit
"New electronic goods clearance management system"	Tax and fiscal matters
"Definition of the maximum spread and nominal interest rate applicable until 30 September 2025 to loans supported by the State contribution pursuant to Law no. 44 of 31 March 2015 and subsequent amendments"	Credit
"Update of rental fees for residential properties"	Tax and fiscal matters
"Update of rental fees for properties intended for professional, entrepreneurial and social activities"	Tax and fiscal matters

"Amendments to Law no. 166 of 16 December 2023 - General income tax and subsequent amendments"	Tax and fiscal matters
"Amendments to Articles 165, 197 and 198 of the Criminal Code and introduction of Chapter VII 'Crimes against animals'"	Organisational model
"Extraordinary measures for the housing emergency"	Tax and fiscal matters
"Update of transformation and revaluation coefficients for contributory pension schemes"	Labour law
"Ratification of Delegated Decree no. 26 of 20 February 2025 – Amendments to Law no. 118 of 28 June 2010 and subsequent amendments 'Law on the entry and stay of foreigners in the Republic'"	Tax and fiscal matters
"Amendment to Delegated Decree no. 72 of 25 June 2018 and subsequent amendments - Provisions concerning subsidised credit in support of businesses"	Credit
"Issuance of public debt securities - Republic of San Marino, fixed rate 2.15%, 1 July 2030, with amortisation"	Financial
"Issuance of public debt securities - Republic of San Marino, fixed rate 2.45%, 1 July 2035, with amortisation"	Financial
"Amending and implementing provisions of Law no. 194 of 13 December 2024 – Right to oncological oblivion - Provisions for the prevention of discrimination and the protection of the rights of persons cured of oncological diseases"	Privacy
"Amendments to provisions concerning economic activities"	Administrative
"Amendment to Delegated Decree no. 134 of 27 September 2023 and subsequent amendments - Regulation of the trade in gold and other precious investment metals"	Anti-money laundering
"Amendments to Delegated Decree no. 158 of 3 November 2023 'Implementing rules of Law no. 75 of 2 May 2023 - Fire prevention law'"	Health and safety in the workplace
"Regulation on independent financial advisers"	Supervisory provisions
"Regulation updating the provisions regarding SEPA payment transactions"	Supervisory provisions
"Regulation on the investor compensation fund"	Supervisory provisions
"Issuance of public debt securities - Republic of San Marino, fixed rate 2.00%, 23 December 2026"	Financial
"Regulation pursuant to Article 5 of Law no. 194 of 13 December 2024 and subsequent amendments for the issuance of the oncological oblivion certificate"	Privacy
"Amendments to Law no. 166 of 16 December 2013 'General Income Tax' and subsequent amendments"	Tax and fiscal matters
"Provisions concerning the issuance of public debt securities of the Republic of San Marino"	Financial
"Amendments to Delegated Decree no. 158 of 3 November 2023 'Implementing rules of Law no. 75 of 2 May 2023 – Fire prevention law'"	Health and safety in the workplace

"Regulation of the beneficial ownership register pursuant to Article 23 quater of Law 92/2008 and subsequent amendments and integrations"	Anti-money laundering
"Amendment to Law no. 174 of 27 November 2015 - International tax cooperation"	Tax and fiscal matters
"State and Public Bodies Budget Forecasts for the 2026 financial year and Multi-year Budgets 2026/2028"	Financial
"Regulation concerning corporate officers of financial undertakings"	Supervisory provisions

Foreign branches

The Bank has no branches outside the San Marino territory.

Introduction

Dear Shareholders,

2025, for Banca Agricola Commerciale S.p.A. (hereinafter also BAC, the Bank or the Parent Company), was characterised by stability in the shareholding structure. The following companies, wholly or majority-owned by the Parent Company, fall within the scope of the Banking Group:

- BAC Investments SG S.p.A., wholly-owned subsidiary, a Management Company established in 2018 and authorised to carry out exclusively the promotion and management of mutual investment funds. The company manages seven open-ended mutual funds intended for the general public and subject to UCITS³ regulations (previously authorised by the CBSM);
- BAC Life S.p.A., wholly-owned subsidiary, the only San Marino life insurance company operating within the territory, for which BAC has also acted as insurance intermediary since 2009, the year in which the Company was established;
- BAC Trustee S.p.A., wholly-owned subsidiary, carrying out the activity of Professional Trustee, as well as resident agent, in compliance with the regulations in force;
- BAC Real Estate S.r.l. (formerly IBS Immobiliare S.r.l.), wholly-owned subsidiary, engaged in the management and enhancement of real estate assets;
- San Marino Finanza e Previdenza S.r.l., established in 2021 with a 51% shareholding, in joint venture with the Italian company Finanza e Previdenza S.r.l., acts as the insurance agency of the Banking Group, dealing with the placement of non-life and life insurance policies.

With regard to the acquisition of interests in other companies outside the Banking Group perimeter, it should be recalled that at the end of 2023 BAC, together with the other Sammarinese banks, completed the first system-wide securitisation transaction pursuant to Law no. 157/2021, transferring to the newly established Veicolo di Sistema a large portion of its non-performing loans (so-called NPLs). For the completion of the securitisation transaction, and to ensure the recovery activity relating to the receivables transferred by the Banks to Veicolo di Sistema, the following companies were established:

- I.G.R.C. S.p.A., Master Servicer of the transaction, in which BAC holds 10.08% of the share capital, in proportion to the receivables transferred, together with the other Sammarinese banks and the Most Excellent Chamber;
- S3 – Special Servicer Sammarinese S.r.l., entrusted with the role of Special

³ The acronym UCITS (Undertakings for Collective Investment in Transferable Securities) refers to European Union Directive no. 65/EC of 13/01/2019, which establishes the conditions for the marketing of funds domiciled in one of these countries.

Servicer for the transaction, in which BAC holds 33.00% of the share capital, together with the other originator banks.

Lastly, the Bank also holds a 50% interest in the San Marino company NCO Immobiliare S.r.l.; this company, equally owned by another bank, was established in 2022 in order to provide better protection for the respective credit claims against a common debtor.

Other significant shareholdings concern:

- the company S.S.I.S. S.p.A. (Società Sistemi Informatici Sammarinese), with an equal 50% shareholding together with another San Marino credit institution;
- the company Centro Servizi S.r.l., held at 33.33% jointly with two other San Marino banks, operating in the IT sector;
- the company BKN301 S.p.A. (renamed Klirway S.p.A. as from March 2026), a San Marino payment institution in which the Bank holds a 19.22% interest.

The Bank prepares the consolidated financial statements of the Group within the regulatory deadlines and timeframes, to which reference should be made.

General principles for the preparation of the management report

The Report on management performance is required to ensure, both in formal terms and in content, the necessary clarity and a true and fair representation of the economic and financial situation.

It provides information in accordance with the preparation basis of the concise statement of assets and liabilities and profit and loss account, which are connected in a timely manner to the statutory ones. The Report includes a few tables (Main data, Reclassified financial statement schemes) and comments on the "Results for the year".

Main data

Profit and loss account data

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Financial margin	15.314.704	15.786.216	-471.512	-2,99%
Net commissions	5.884.157	5.299.145	585.012	11,04%
Profits and losses from financial operations	480.461	534.198	-53.737	-10,06%
Other expenses	-57.101	-63.681	6.580	-10,33%
Other income	2.200.850	2.200.644	206	0,01%
Brokerage income	8.508.368	7.970.306	538.062	6,75%
Net interest and other banking income	23.823.073	23.756.522	66.550	0,28%
Personnel expenses	-7.969.761	-7.753.433	-216.328	2,79%
Administrative expenses	-4.810.514	-5.006.914	196.400	-3,92%
Adjustments to property, plant and equipment and intangible assets	-1.476.383	-1.464.193	-12.189	0,83%
Operating expenses	-14.256.658	-14.224.540	-32.118	0,23%
Operating income	9.566.414	9.531.982	34.432	0,36%
Provisions for risks and charges and net adjustments to receivables	-4.371.892	-4.672.258	300.366	-6,43%
Provisions for credit risks	-	-	-	-
Value adjustments on financial fixed assets	-22.810	98.302	-121.112	-123,20%
Value adjustments on non-instrumental fixed assets	-	-	-	-
Extraordinary profit/loss	1.444.447	565.764	878.683	155,31%
Change in the provision for general financial risks (+/-)	-276.778	-	-276.778	100,00%
Gross profit for the year before tax	6.339.381	5.523.790	815.591	14,77%
Income taxes for the year	-1.107.000	-470.000	-637.000	135,53%
Profit/(loss) for the year	5.232.381	5.053.790	178.591	3,53%

Based on the reporting schedules required by the Supervisory Authority (see CBSM Regulation no. 2016/02), intermediation income includes principal portions and interest relating to lease instalments paid by customers, the former being offset by corresponding depreciation portions within value adjustments on tangible fixed assets; in the present reclassification, for the purposes of a more true and fair representation of interim economic results, the above-mentioned items are presented net of the principal portion and the related depreciation portion of such leases.

Balance sheet data

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Total assets	946.007.446	890.106.429	55.901.017	6,28%
Cash	5.095.442	4.210.108	885.334	21,03%
Loans to customers	271.421.875	260.639.936	10.781.939	4,14%
<i>of which Impaired loans</i>	23.722.993	32.156.485	-8.433.492	-26,23%
Financial assets	330.604.360	264.059.093	66.545.267	25,20%
Net interbank position	93.430.524	116.890.311	-23.459.787	-20,07%
Equity investments	13.649.091	13.649.091	-	-
Property, plant and equipment/ intangible assets	115.066.874	116.099.049	-1.032.175	-0,89%
Other assets	116.739.279	114.558.841	2.180.438	1,90%
Total Liabilities	946.007.446	890.106.429	55.901.017	6,28%
Due to customers and securities issued	740.839.501	699.765.839	41.073.662	5,87%
<i>of which Payables</i>	560.150.636	532.890.036	27.260.600	5,12%
<i>of which Payables represented by securities</i>	180.688.865	166.875.803	13.813.062	8,28%
Other liabilities	99.807.951	86.371.013	13.436.938	15,56%
Provisions for risks and charges	2.603.757	1.913.931	689.826	36,04%
Provision for risks on non-adjustable receivables	600.000	600.000	-	-
Provision for general financial risks	1.700.000	1.423.222	276.778	19,45%
Subordinated liabilities	-	2.400.988	-2.400.988	-100,00%
Shareholders' equity (including result for the year)	100.456.237	97.631.436	2.824.801	2,89%

Financial assets of customers⁴

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
A) Direct deposits	741.565.298	703.191.000	38.374.298	5,46%	100%	100%
Savings deposits	1.058.219	1.238.497	-180.278	-14,56%	0,14%	0,18%
Customer current accounts in euros and foreign currency	475.180.320	445.899.292	29.281.029	6,57%	64,08%	63,41%
Repurchase agreements	21.199.199	31.568.674	-10.369.475	-32,85%	2,86%	4,49%
Other funds	62.712.897	54.183.573	8.529.323	15,74%	8,46%	7,71%
Certificates of deposit	180.688.865	166.875.803	13.813.062	8,28%	24,37%	23,73%
Internal checks	725.797	1.024.173	-298.376	-29,13%	0,10%	0,15%
Subordinated liabilities	-	2.400.988	-2.400.988	-100,00%	-	0,34%
B) Managed deposits (market value)	400.431.064	354.242.956	46.188.108	13,04%		
<i>of which Cash</i>	6.273.760	5.686.844	586.916	10,32%		
<i>of which Subordinated loan</i>	-	-	-	-		
C) Assets under administration (market value)	541.974.407	465.456.335	76.518.072	16,44%		
<i>of which Bac Investments SG funds</i>	171.741.705	131.727.382	40.014.323	30,38%		
<i>of which Subordinated loan</i>	-	2.395.000	-2.395.000	-100,00%		
Total indirect deposits excluding cash (B+C)	936.131.711	811.617.447	124.514.264	15,34%		
Total deposits	1.677.697.009	1.514.808.447	162.888.562	10,75%		

⁴ Managed assets include BAC Investments SG S.p.A. funds and BAC Life S.p.A. insurance policies.

MAIN INDICATORS

	31/12/2025	31/12/2024
Structural data		
Number of employees and external personnel	99	104
Number of branches	8	8
Credit risk indicators		
Net bad loans / Net loans and advances to customers	3,58%	4,13%
Net doubtful loans / Net loans and advances to customers	8,74%	12,34%
Coverage ratio on gross loans and advances	3,69%	4,06%
Coverage ratio on gross loans and advances (including minimum prudential coverage)	5,84%	5,52%
Coverage ratio on gross NPLs	27,05%	22,97%
Coverage ratio on NPLs (including minimum prudential coverage)	45,71%	32,46%
Supervisory capital and ratios		
Supervisory capital	76.309.813	71.913.150
Weighted risk assets	354.216.898	336.254.775
Supervisory capital/weighted assets (total capital ratio)	21,54%	21,39%
Total assets	947.329.694	892.160.020
Profitability indicators		
Financial margin/brokerage margin	64,29%	66,45%
Services margin/brokerage margin	35,71%	33,55%
cost/income ratio	59,84%	59,88%
Operating income/brokerage margin	40,16%	40,12%
Leverage (average assets/average equity)	9,43	9,14
ROA e.o.p. (return on assets - end of period)	0,55%	0,57%
ROE e.o.p. (net equity including the general financial risks fund)	5,12%	5,10%

Reclassified balance sheet schedules

RECLASSIFIED ASSETS	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Cash and cash equivalents	5.095.442	4.210.108	885.334	21,03%	0,54%	0,47%
Loans to banks	94.752.772	118.943.905	-24.191.133	-20,34%	10,00%	13,33%
Loans to customers	271.421.875	260.639.936	10.781.939	4,14%	28,65%	29,21%
Financial assets	330.604.360	264.059.093	66.545.267	25,20%	34,90%	29,60%
Shareholdings	13.649.091	13.649.091	-	-	1,44%	1,53%
Tangible fixed assets	113.029.347	114.036.745	-1.007.398	-0,88%	11,93%	12,78%
Intangible fixed assets	2.037.527	2.062.304	-24.777	-1,20%	0,22%	0,23%
Other assets	116.739.279	114.558.840	2.180.439	1,90%	12,32%	12,84%
Total assets	947.329.694	892.160.022	55.169.672	6,18%	100,00%	100,00%

RECLASSIFIED LIABILITIES	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Due to banks	1.322.248	2.053.594	-731.346	-35,61%	0,14%	0,23%
Due to customers	560.150.636	532.890.036	27.260.600	5,12%	59,13%	59,73%
Debts represented by securities	180.688.865	166.875.803	13.813.062	8,28%	19,07%	18,70%
Other liabilities	99.807.951	86.371.013	13.436.938	15,56%	10,54%	9,68%
Provisions for risks and charges	2.603.757	1.913.931	689.826	36,04%	0,27%	0,21%
Provision for non-adjustable credit risks	600.000	600.000	-	-	0,06%	0,07%
Provision for general financial risks	1.700.000	1.423.222	276.778	19,45%	0,18%	-
Subordinated liabilities	-	2.400.988	-2.400.988	-100,00%	-	0,27%
Net equity	100.456.237	97.631.436	2.824.801	2,89%	10,60%	10,94%
- Capital and reserves	95.223.856	92.577.646	2.646.210	2,86%	10,05%	10,38%
- Retained losses	-	-	-	-	-	-
- Result for the year	5.232.381	5.053.790	178.591	3,53%	0,55%	0,57%
Total liabilities	947.329.694	892.160.023	55.169.671	6,18%	100,00%	100,00%

RECLASSIFIED PROFIT AND LOSS ACCOUNT	31/12/2025	% Intermed. margin	31/12/2024	% Intermed. margin	CHANGE	
					Absolute	%
Interest income and similar charges	21.527.216	90,36%	24.989.278	105,19%	-3.462.062	-13,85%
<i>of which a) Interest receivable from customers</i>	11.021.319	46,26%	14.051.167	59,15%	-3.029.848	-21,56%
<i>b) Interest income to banks</i>	1.769.962	7,43%	3.961.089	16,67%	-2.191.127	-55,32%
<i>c) Interest income on debt securities</i>	8.735.935	36,67%	6.977.022	29,37%	1.758.913	25,21%
Interest expense and similar charges	-6.656.338	-27,94%	-10.029.889	-42,22%	3.373.551	-33,63%
<i>of which a) Interest payable to customers</i>	-3.198.194	-13,42%	-4.937.586	-20,78%	1.739.392	-35,23%
<i>b) Interest expense on debt represented by securities</i>	-3.454.483	-14,50%	-5.088.373	-21,42%	1.633.890	-32,11%
<i>c) Interest payable to banks</i>	-3.660	-0,02%	-3.930	-0,02%	270	-6,87%
Net interest income	14.870.878	62,42%	14.959.389	62,97%	-88.511	-0,59%
Dividends and other revenue	443.826	1,86%	826.827	3,48%	-383.001	-46,32%
Financial margin	15.314.704	64,29%	15.786.216	66,45%	-471.512	-2,99%
Net commissions	5.884.157	24,70%	5.299.145	22,31%	585.012	11,04%
<i>of which a) Commission income</i>	8.211.341	34,47%	7.387.758	31,10%	823.583	11,15%
<i>b) Commissions payable</i>	-2.327.183	-9,77%	-2.088.613	-8,79%	-238.570	11,42%
Profit and losses on financial transactions	480.461	2,02%	534.198	2,25%	-53.737	-10,06%
<i>of which a) On securities</i>	66.447	0,28%	231.988	0,98%	-165.541	-71,36%
<i>b) On foreign exchange</i>	414.015	1,74%	302.210	1,27%	111.805	37,00%
Other net income *	2.200.850	9,24%	2.200.644	9,26%	206	0,01%
Other net expenses	-57.101	-0,24%	-63.681	-0,27%	6.580	-10,33%
Services margin	8.508.368	35,71%	7.970.306	33,55%	538.062	6,75%
Services margin net of profits and losses from financial transactions	8.027.907	33,70%	7.436.108	31,30%	591.799	7,96%
Intermediation margin	23.823.073	100,00%	23.756.522	100,00%	66.550	0,28%
Operating expenses	-14.256.658	-59,84%	-14.224.540	-59,88%	-32.118	0,23%
<i>of which a) Personnel Expenses</i>	-7.969.761	-33,45%	-7.753.433	-32,64%	-216.328	2,79%
<i>b) Other administrative expenses:</i>	-4.810.514	-20,19%	-5.006.914	-21,08%	196.400	-3,92%
<i>c) Depreciation on fixed assets: tangible and intangible*</i>	-1.476.383	-6,20%	-1.464.193	-6,16%	-12.189	0,83%
Operating income	9.566.414	40,16%	9.531.982	40,12%	34.432	0,36%
Provisions and net adjustments to loans and advances	-4.211.892	-17,68%	-4.402.049	-18,53%	190.157	-4,32%
Allocations to provisions for credit risks	-	0,00%	-	-	-	-
Provisions for risks and charges	-160.000	-0,67%	-270.209	-1,14%	110.209	-40,79%
Value adjustments/reversals on financial fixed assets	-22.810	-0,10%	98.302	0,41%	-121.112	-123,20%
Value adjustments on non-instrumental fixed assets	-	-	-	-	-	-
Income from ordinary activities	5.171.712	21,71%	4.958.026	20,87%	213.686	4,31%
Extraordinary income (loss)	1.444.447	6,06%	565.764	2,38%	878.683	155,31%
Profit before allocations to the general financial risks fund	6.616.159	27,77%	5.523.790	23,25%	1.092.369	19,78%
Change in the general financial risks fund (+/-)	-276.778	-1,16%	-	-	-276.778	100,00%
Gross profit for the year before tax	6.339.381	26,61%	5.523.790	23,25%	815.591	14,77%
Income taxes	-1.107.000	-4,65%	-470.000	-1,98%	-637.000	135,53%
Profit (loss) for the year	5.232.381	21,96%	5.053.790	21,27%	178.591	3,53%

* 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 structure⁵

The profit and loss account closes with a positive operating result of €5.232 million for the year, an increase compared with the performance of the previous financial year, which recorded a profit of €5.054 million (+3.53%), despite a higher income tax expense amounting to €1.107 million (an increase of €0.637 million, +135.53%). Profit before allocations to the General Financial Risks Fund and income taxes in fact recorded a more significant improvement, standing at €6.616 million, up 19.78% compared with the previous year (+€1.092 million).

This result was supported by the resilience of net interest income, mainly due to the lower burden of interest expense compared with the previous financial year, reflecting interest rates that had already begun to decline gradually from 2024. Dividends recorded a decrease of €0.383 million due to the lower contribution from subsidiaries. Overall, the financial margin recorded a decrease of €0.472 million (-2.99%), while the services margin recorded significant growth of €0.538 million (+6.75%), attributable to the positive performance of commission income from services provided to customers (+11.04%).

The profitability results achieved supported the coverage of operating costs and the maintenance of substantial net value adjustments on loans amounting to €4.211 million, as well as further allocations to provisions for risks and charges amounting to €0.160 million and allocations to the General Financial Risks Fund amounting to €0.277 million.

Please refer to the following paragraphs for an analysis of margins, i.e., the progressive results that contributed to the final result for the financial year.

The financial margin

The financial margin reached €15.314 million (€-0.471 million compared with 2024, -2.99%).

The decrease in the margin reflects the trend in interest rates, which continued their slow and steady decline throughout 2025, with a reduction in the contribution from loans to customers, which was nevertheless supported

⁵ The figures presented refer to the reclassified profit and loss account.

by greater recourse to credit as a result of the lower cost of money (€-3.029 million, -21.56%); partially offsetting this effect, the interest rate trend led to a decrease in interest expense paid to customers. The financial investments margin recorded a positive change of €3.076 million (+62.60%), thanks to the substantial coupon flows generated by the proprietary securities portfolio, while the interbank margin showed a decline of 55.36% (€-2.190 million), due to lower interest recognised on deposits.

Lastly, attention is drawn to the contribution of dividends and other income relating to the invested stock of the debt and equity securities portfolio, which, compared with the previous financial year, recorded a decrease of €0.383 million (-46.32%), due to the lower contribution from subsidiaries resulting from the results achieved during the year.

FINANCIAL MARGIN FORMATION	31/12/2025	31/12/2024	CHANGE		% Of interest margin	
			Absolute	%	31/12/2025	31/12/2024
Interest income on loans to customers	11.021.319	14.051.167	-3.029.848	-21,56%	71,97%	89,01%
Interest expense on amounts due to customers	-2.453.162	-2.875.068	421.906	-14,67%	-16,02%	-18,21%
Interest expense on securities liabilities (CD bonds)	-3.454.483	-5.088.373	1.633.890	-32,11%	-22,56%	-32,23%
Margin customers	5.113.674	6.087.726	-974.052	-16,00%	33,39%	38,56%
Interest income on debt securities	8.735.935	6.977.022	1.758.913	25,21%	57,04%	44,20%
Interest expense on debts represented by securities (repo)	-745.033	-2.062.518	1.317.485	-63,88%	-4,86%	-13,07%
Financial investments margin	7.990.902	4.914.504	3.076.398	62,60%	52,18%	31,13%
Banking margin	13.104.576	11.002.230	2.102.346	19,11%	85,57%	69,70%
Interest income from credit institutions	1.769.962	3.961.089	-2.191.127	-55,32%	11,56%	25,09%
Interest expense from credit institutions	-3.660	-3.930	270	-6,87%	-0,02%	-0,02%
Interbank margin	1.766.302	3.957.159	-2.190.857	-55,36%	11,53%	25,07%
Dividends and other income	443.826	826.827	-383.001	-46,32%	2,90%	5,24%
Financial margin	15.314.704	15.786.216	-471.512	-2,99%	100,00%	100,00%

Intermediation margin

The intermediation margin, amounting to €23.823 million, increased by €0.067 million (+0.28%) compared with the previous year. The tables below show how the decrease in net interest income, already discussed in the previous paragraph, together with the increase in intermediation income, nevertheless made it possible to maintain an overall good and stable level. The result of the management of the proprietary securities portfolio (profits and losses from financial transactions) showed a positive contribution, although slightly down compared with the previous financial year, due to market dynamics characterised by high volatility during December 2025.

The services margin, amounting to €8.508 million, increased compared with 2024 by €0.538 million (+6.75%), mainly as a result of the positive performance of net commissions, which recorded growth of 11.04%, equal to €0.585 million. The main increases in commissions were concentrated in guarantee issuance

services, securities brokerage, depositary bank services and foreign exchange trading services. The profits and losses from financial transactions segment, as illustrated above, instead showed a decrease of €0.053 million, attributable to market dynamics characterised by high volatility.

Other operating income and expenses contributed to supporting the intermediation margin, thanks in particular to the recognition of rental income from income-generating owned properties, pending possible disposals.

PROFIT AND LOSS ACCOUNT	31/12/2025	31/12/2024	CHANGE		% Of interest margin	
			Absolute	%	31/12/2025	31/12/2024
Interest margin	14.870.878	14.959.389	-88.511	-0,59%	62,42%	62,97%
Dividends and other revenues	443.826	826.827	-383.001	-46,32%	1,86%	3,48%
Intermediation revenues and other	8.508.368	7.970.306	538.062	6,75%	35,71%	33,55%
Intermediation margin	23.823.073	23.756.522	66.550	0,28%	100,00%	100,00%

INTERMEDIATION REVENUES AND OTHER	31/12/2025	31/12/2024	CHANGE		% Of interest margin	
			Absolute	%	31/12/2025	31/12/2024
Net commissions	5.884.157	5.299.145	585.012	11,04%	69,16%	66,49%
Commission income	8.211.341	7.387.758	823.583	11,15%	96,51%	92,69%
- Guarantees given	157.595	110.913	46.682	42,09%	1,85%	1,39%
- Investment services	931.416	658.011	273.405	41,55%	10,95%	8,26%
<i>of which Receipt and transmission of orders</i>	931.226	655.794	275.432	42,00%	10,94%	8,23%
<i>of which Management of portfolios of financial instruments</i>	190	2.217	-2.027	-91,43%	-	0,03%
- Distribution of third-party services and products other than placement	1.399.586	1.323.479	76.107	5,75%	16,45%	16,61%
<i>of which Insurance products</i>	518.434	607.662	-89.228	-14,68%	6,09%	7,62%
<i>of which Other services or products</i>	881.152	715.817	165.335	23,10%	10,36%	8,98%
- Cash-in and payment services	809.794	742.233	67.561	9,10%	9,52%	9,31%
- Issuance/management of credit/debit cards	1.944.891	1.801.468	143.423	7,96%	22,86%	22,60%
- Custodian bank services	303.444	237.537	65.907	27,75%	3,57%	2,98%
- Custody and administration of financial instruments	355.901	334.255	21.646	6,48%	4,18%	4,19%
- Currency trading	258.119	216.713	41.406	19,11%	3,03%	2,72%
- Trust services	107.109	126.211	-19.102	-15,14%	1,26%	1,58%
- Other services	1.943.485	1.836.938	106.547	5,80%	22,84%	23,05%
<i>of which Current accounts</i>	1.288.590	1.253.241	35.349	2,82%	15,14%	15,72%
<i>of which Collections and payments</i>	390.321	131.352	258.968	197,16%	4,59%	1,65%
<i>of which Fees</i>	241.058	199.559	41.499	20,80%	2,83%	2,50%
<i>of which Others</i>	23.516	139.423	-115.907	-83,13%	0,28%	1,75%
Commissions payable	-2.327.183	-2.088.613	-238.571	11,42%	-27,35%	-26,20%
- Collection and payment services	-184.649	-177.590	-7.059	3,98%	-2,17%	-2,23%
- Credit/debit card issuing/management	-1.587.401	-1.434.302	-153.099	10,67%	-18,66%	-18,00%
- Management services, brokerage, cons.	-491.651	-400.236	-91.415	22,84%	-5,78%	-5,02%
- Currency trading	-	-	-	-	-	-
- Other services	-63.481	-76.485	13.003	-17,00%	-0,75%	-0,96%
Profits and losses from financial transactions	480.461	534.198	-53.737	-10,06%	5,65%	6,70%
On securities :	66.447	231.988	-165.541	-71,36%	0,78%	2,91%
- Trading securities	1.544.331	2.199.336	-655.005	-29,78%	18,15%	27,59%
- Valuation of securities	-1.477.885	-1.967.348	489.463	-24,88%	-17,37%	-24,68%
- Currency trading	414.015	302.210	111.805	37,00%	4,87%	3,79%
- On other transactions	-	-	-	-	-	-
Operating income and expenses	2.143.750	2.136.963	6.786	0,32%	25,20%	26,81%
- Other income	2.137.973	2.078.498	59.475	2,86%	25,13%	26,08%
- Expense recoveries	62.877	122.146	-59.269	-48,52%	0,74%	1,53%
- Other charges	-57.101	-63.681	6.580	-10,33%	-0,67%	-0,80%
Services margin net of profit and loss from financial operations	8.027.907	7.436.109	591.798	7,96%	94,35%	93,30%
Margin on services	8.508.368	7.970.307	538.061	6,75%	100,00%	100,00%

Operating result

The operating result, positive for €9.566 million, recorded a slight increase compared with 2024 of €0.034 million (+0.36%) and remained at appreciable levels after absorbing operating costs of €14.257 million.

PROFIT AND LOSS ACCOUNT	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Net interest and other banking income	23.823.073	23.756.522	66.550	0,28%
Administrative expenses	-12.780.276	-12.760.347	-19.929	0,16%
- Personnel expenses	-7.969.761	-7.753.433	-216.328	2,79%
- General expenses	-4.810.514	-5.006.914	196.400	-3,92%
of wich Indirect taxes and duties	-88.215	-176.994	88.779	-50,16%
Value adjustments on tangible and intangible fixed assets	-1.476.383	-1.464.193	-12.189	0,83%
Total operating costs	-14.256.658	-14.224.540	-32.118	0,23%
Operating income	9.566.414	9.531.982	34.432	0,36%

Operating costs

Total operating costs amounted to €14.257 million, with a marginal increase of €0.032 million (+0.23%) compared with 2024.

Personnel expenses, amounting to €7.969 million, showed an increase of €0.216 million (+2.79%). This item reflects the contractual increases granted to employees and officers following the renewal of the National Collective Labour Agreement in 2024; the increase in labour costs resulting from the new contractual tables was mitigated by the reduction in staff during 2025, which brought the number of employees to 99 (-5 units).

Other administrative expenses recorded an amount of €4.811 million, decreasing by €0.196 million (-3.92%). There was a reduction in consultancy and professional fees and in various service costs (-30.34% and -46.55% respectively), in addition to savings on plant maintenance expenses (-26.07%) and supervisory charges (-6.17%). Increases were instead recorded in other cost items, due to ongoing inflationary dynamics.

Depreciation and amortisation of tangible and intangible fixed assets for operational use, calculated on the basis of their remaining useful life and corresponding to the tax depreciation rates pursuant to Law no. 166/2013, amounted to €1.476 million, an increase of €0.012 million (+0.83%) compared with the corresponding item for 2024. The change is due to capital investments relating to the Bank's primary information system.

Value adjustments/reversals on financial assets mainly concerned the coverage

of the 2024 loss of an investee company.

Net value adjustments/reversals for impairment of loans, guarantees and commitments

As at December 2025, net value adjustments on loans and provisions for guarantees and commitments amounted to €4.211 million, detailed as follows: €5.507 million for provisions and value adjustments on loans and €1.295 million for value reversals, down 4.32% compared with the previous financial year. Among the entries recorded in 2025 is the seventh annual instalment attributable to suspended AQR adjustments, amounting to €4.581 million, as determined in 2019 at the conclusion of the Asset Quality Review (AQR) exercise, spread over instalments in application of Article 40 of Law no. 173/2018 and pursuant to the specific authorisation of the Supervisory Authority (Prot. no. 20/5553 of 19/06/2020).

Attention is also drawn to the presence of provisions for risks and charges amounting overall to €0.987 million, established to cover potential risks arising from ongoing legal actions and proceedings, increased during the year by a further €0.150 million, in addition to the fund allocated to charitable purposes, increased by €0.010 million following a resolution of the Shareholders' Meeting. For a detailed analysis of the dynamics of so-called "Credit Quality", reference should be made to the relevant section of this Report.

Income from ordinary activities

Income from ordinary activities amounted to €5.171 million, an increase of €0.214 million (+4.31%) compared with 2024.

Extraordinary income and expenses

The Bank recognised extraordinary income of €1.758 million and extraordinary expenses of €0.313 million.

This item was affected by capital gains realised from the disposal of properties deriving from terminated leasing contracts, as well as from the liquidation of the Odisseo Fund and the closure of payable items no longer due.

Extraordinary expenses include various fragmented items, amounting overall to €0.313 million.

Income tax

The tax rate stood at 16.73% and reflects the calculation of taxes in compliance with the applicable regulations. During the 2025 tax year, direct taxes amounted to €1.107 million, despite the presence of tax losses carried forward pursuant to Article 11 of Law no. 154/2019.

Formation of the result for the year

For presentation purposes, the following table reclassifies the items leading from the operating result to the net result for the period, compared with the 2024 figures.

PROFIT AND LOSS ACCOUNT	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Operating income	9.566.414	9.531.982	34.432	0,36%
Provisions and value adjustments	-4.394.703	-4.573.956	179.253	-3,92%
- Provisions and value adjustments on receivables	-5.506.944	-6.431.238	924.294	-14,37%
- Reversals of value adjustments on receivables and provisions	1.295.051	2.029.189	-734.138	-36,18%
- Provisions for credit risks	-	-	-	-
- Provisions for risks and charges	-160.000	-270.209	110.209	-40,79%
- Value adjustments on financial assets financial assets	-22.810	98.302	-121.112	-123,2%
- Value adjustments on owned non-profit furniture/furniture	-	-	-	-
Profit from ordinary activities	5.171.712	4.958.026	213.686	4,31%
Extraordinary income	1.757.540	741.006	1.016.534	137,18%
Extraordinary expenses	-313.093	-175.242	-137.851	78,66%
Balance extraordinary income	1.444.447	565.764	878.683	155,31%
Profit before tax	6.616.159	5.523.790	1.092.369	19,78%
Income tax for the year	-1.107.000	-470.000	-637.000	135,53%
Change in reserve for general banking risks (+/-)	-276.778	-	-276.778	100,00%
Net income	5.232.381	5.053.790	178.591	3,53%

The 2025 financial year recorded a pre-tax profit of €6.616 million, showing a significant improvement compared with the previous year (+19.78%, €+1.092 million), and closed with a net profit of €5.232 million (+3.53%, €+0.179 million), after recognising income taxes of €1.107 million (+135.53%, due to the exhaustion of the tax benefit in 2024) and an allocation of €0.277 million to the General Financial Risks Fund.

Statement of Assets and Liabilities

Loans to customers

Net loans to customers amounted to €271.421 million, an increase of €10.781 million compared with the previous financial year (+4.14%).

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Total gross loans	281.813.181	271.674.524	10.138.657	3,73%	100,00%	100,00%
Analytical and flat-rate value adjustments	10.391.306	11.034.588	-643.282	-5,83%	3,69%	4,06%
<i>of which Analytical adjustments on doubtful loans</i>	8.795.822	9.586.215	-790.393	-8,25%	3,12%	3,53%
Coverage ratio	3,69%	4,06%	-	-	-	-
Total loans net of provisions for risk on credits		260.639.936	10.781.939	4,14%	96,31%	95,94%
Loans net of non-performing loans	267.728.274	256.074.496	11.653.778	4,55%	95,00%	94,26%
Non-performing/performing loans	5,00%	5,74%	-	-	-	-
Non-performing loans net of advances	14.084.907	15.600.028	-1.515.121	-9,71%	5,00%	5,74%
Non-performing loans net of advances	4.354.570	4.838.902	-484.332	-10,01%	1,55%	1,78%
Analytical value adjustments	4.354.570	4.838.902	-484.332	-10,01%	1,55%	1,78%
Coverage ratio	30,92%	31,02%	-	-	-	-
Non-performing loans net of value adjustments	9.730.337	10.761.126	-1.030.789	-9,58%	3,45%	3,96%
Total probable defaults	17.855.002	22.739.909	-4.884.907	-21,48%	6,34%	8,37%
Loss projections	4.424.005	4.659.153	-235.148	-5,05%	1,57%	1,71%
Analytical value adjustments	4.424.005	4.659.153	-235.148	-5,05%	1,57%	1,71%
Coverage ratio	24,78%	20,49%	-	-	-	-
Probable defaults net of value adjustments	13.430.997	18.080.756	-4.649.759	-25,72%	4,77%	6,66%
Total past due and/or overdue	578.907	3.402.763	-2.823.856	-82,99%	0,21%	1,25%
Loss forecasts	17.247	88.160	-70.913	-80,44%	0,01%	0,03%
Lump-sum value adjustments	17.247	88.160	-70.913	-80,44%	0,01%	0,03%
Coverage ratio	2,98%	2,59%	-	-	-	-
Past due and/or overdue net of value adjustments	561.660	3.314.603	-2.752.943	-83,05%	0,20%	1,22%
Total impaired credit exposures	32.518.815	41.742.700	-9.223.885	-22,10%	11,54%	15,36%
Loss forecasts	8.795.822	9.586.215	-790.393	-8,25%	3,12%	3,53%
Value adjustments	8.795.822	9.586.215	-790.393	-8,25%	3,12%	3,53%
Coverage ratio	27,05%	22,97%	-	-	-	-
Faulty loans net of value adjustments	23.722.993	32.156.485	-8.433.492	-26,23%	8,42%	11,84%
Total performing loans	249.294.365	229.931.824	19.362.541	8,42%	88,46%	84,64%
Value adjustments	1.595.484	1.448.373	147.111	10,16%	0,57%	0,53%
Coverage ratio	0,64%	0,63%	-	-	-	-

Credit quality⁶

Gross impaired loans at the end of 2025 stood at €32.518 million, decreasing compared with the previous year by €9.244 million (-22.10%), with an incidence on total loans of 11.54%, compared with a system figure of 16.3%.

Bad loans (gross values) represented 5.00% of total loans to customers (5.74% as at 31 December 2024), against a nominal amount of €14.084 million, decreasing by €1.515 million (-9.71%); system data show an incidence of such loans (gross values) equal to 8.4%.

The coverage percentage of non-performing loans, as a result of the value adjustments made during the year, stood at 27.05%, increasing to 45.71% including the additional minimum capital coverage calculated for Prudential Supervisory purposes (so-called Calendar provisioning); the system coverage ratio on doubtful loans stood at 36.4%.

Performing loans (*"in bonis"*) amounted to €249.294 million (€229.932 million as at 31 December 2024); these loans were subject to a write-down of 0.64%, in line with the results of the historical-statistical analysis carried out on the transition matrices.

On total loans to Customers, amounting to €281.813 million, value adjustments amounting to €10.391 million were recognised; the overall coverage ratio stood at 3.69%, increasing to 5.84% including Calendar provisioning coverage, compared with 5.52% as at 31 December 2024.

During the year, BAC continued its policy of close monitoring and recovery of *non-performing* positions, contributing to the reduction highlighted above.

⁶ The system figures indicated in this paragraph are taken from the Quarterly Information Bulletin of the Central Bank of the Republic of San Marino, fourth quarter of 2025.

Assets under management

The financial year just ended recorded total customer deposits of €1.677,697 billion (including the Depository Bank activity carried out for BAC Investments SG S.p.A.), an increase of 10.75% compared with the previous year and with growth across all segments of direct deposits, assets under management and administered assets.

The following table sets out customers' financial assets, reclassified compared with the format required by CBSM Regulation no. 2016/02, with the inclusion within the aggregate of assets under management of BAC Investments SG S.p.A. Funds and BAC Life S.p.A. insurance policies distributed through the Parent Company's distribution network.

Customer deposits⁷

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
A) Direct deposits	741.565.298	703.191.000	38.374.298	5,46%	100%	100%
Savings Deposits	1.058.219	1.238.497	-180.278	-14,56%	0,14%	0,18%
Customer current accounts in euros and foreign currency	475.180.320	445.899.292	29.281.029	6,57%	64,08%	63,41%
Repurchase agreements	21.199.199	31.568.674	-10.369.475	-32,85%	2,86%	4,49%
Other funds	62.712.897	54.183.573	8.529.323	15,74%	8,46%	7,71%
Certificates of deposit	180.688.865	166.875.803	13.813.062	8,28%	24,37%	23,73%
Internal checks	725.797	1.024.173	-298.376	-29,13%	0,10%	0,15%
Subordinated liabilities	-	2.400.988	-2.400.988	-100,00%	-	0,34%
B) Managed deposits (market value)	400.431.064	354.242.956	46.188.108	13,04%		
<i>of which Cash</i>	6.273.760	5.686.844	586.916	10,32%		
<i>of which Subordinated Loan</i>	-	-	-	-		
C) Assets under administration (market value)	541.974.407	465.456.335	76.518.072	16,44%		
<i>of which BaC Investments SG funds</i>	171.741.705	131.727.382	40.014.323	30,38%		
<i>of which Subordinated loan</i>	-	2.395.000	-2.395.000	-100,00%		
Total indirect deposits excluding cash (B+C)	936.131.711	811.617.447	124.514.264	15,34%		
Total deposits	1.677.697.009	1.514.808.447	162.888.562	10,75%		

⁷ Assets under management include Fondi BAC Investments SG S.p.A. and BAC Life S.p.A. insurance policies.

Direct deposits amounted to €741.565 million, recording an increase of €38.374 million (+5.46%) compared with the end of 2024. The aggregate shows growth supported by the confidence placed in the institution by customers.

Indirect deposits amounting to €936.131 million, including assets under management, showed an increase of €124.514 million (+15.34%) compared with the 2024 figure of €811.617 million. Particularly noteworthy was the result achieved in assets under management, which recorded an increase of 13.04% compared with the previous financial year, demonstrating customers' appreciation of the wealth management products offered by the BAC Group.

Starting from 2022, the funds of BAC Investments SG S.p.A. comply with the European "SFDR" Regulation (Sustainable Finance Disclosure Regulation), due to the investment policies of the Funds being responsibly oriented towards the consideration of environmental, social and governance (ESG) risks and opportunities on behalf of subscribers; for this reason, investment choices favour CISs implementing policies aimed at mitigating sustainability risks. The certification obtained demonstrates the quality of the subsidiary's Funds.

Financial investments

The overall stock of financial investments increased in absolute terms by €66.545 million (+25.20%) compared with the financial year ended 31 December 2024. During the year under review, the Bank rebalanced the portfolio in favour of government-issued debt securities, particularly within the free portfolio, benefiting from more dynamic trading activity. The securities portfolio includes debt financial instruments, collective investment funds and shares listed on regulated markets, structured products, as well as the Mezzanine and Junior class securities subscribed by the Bank, in its capacity as originator, following the system-wide securitisation transaction; further information is provided in the Explanatory Notes to the Financial Statements.

The financial fixed assets segment, debt securities, recorded an overall decrease of €5.861 million (-3.82%), resulting from the redemption of financial instruments that reached maturity.

FINANCIAL ASSETS	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Investment securities	148.054.941	154.705.974	-6.651.033	-4,30%
<i>of which Bonds</i>	147.508.194	153.369.312	-5.861.118	-3,82%
Trading securities	182.549.419	109.353.119	73.196.300	66,94%
<i>of which Bonds</i>	163.489.537	92.466.128	71.023.409	76,81%
Total financial portfolio	330.604.360	264.059.093	66.545.267	25,20%

FINANCIAL ASSETS - DEBT SECURITIES Nature of Issuer	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Investment securities	147.508.194	153.369.312	-5.861.118	-3,82%
<i>of which Public issuers</i>	30.025.597	26.031.008	3.994.589	15,35%
<i>of which Credit issuers</i>	32.969.160	37.060.631	-4.091.471	-11,04%
<i>of Financial enterprises other than credit institutions</i>	82.169.902	82.390.549	-220.647	-0,27%
<i>of which Other</i>	2.343.535	7.887.124	-5.543.589	-70,29%
Investment securities	163.489.537	92.466.128	71.023.409	76,81%
<i>of which Public issuers</i>	111.464.320	57.321.007	54.143.313	94,46%
<i>of which Credit issuers</i>	4.764.386	2.048.737	2.715.649	132,55%
<i>of Financial enterprises other than credit institutions</i>	32.223.257	27.759.330	4.463.927	16,08%
<i>of which Other</i>	15.037.574	5.337.054	9.700.520	181,76%
Total debt securities	310.997.731	245.835.440	65.162.291	26,51%

FINANCIAL ASSETS - DEBT SECURITIES Fixed/variable rate	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Investment securities	147.508.194	153.369.312	-5.861.119	-3,82%
<i>of which Fixed-rate</i>	40.257.322	46.372.956	-6.115.634	-13,19%
<i>of which Variable rate</i>	107.250.871	106.996.357	254.515	0,24%
Trading securities	163.489.537	92.466.127	71.023.409	76,81%
<i>of which Fixed rate</i>	137.905.103	65.779.491	72.125.612	109,65%
<i>of which Variable rate</i>	25.584.434	26.686.637	-1.102.203	-4,13%
Total debt securities	310.997.730	245.835.440	65.162.290	26,51%

The trading portfolio, debt securities, recorded, in absolute terms, an increase in its balance of €71.023 million (+76.81%), benefiting from higher coupon flows supporting the Bank's financial margin; during the year, disposals were carried out in order to take advantage of profit-taking opportunities.

The trading portfolio includes two mutual investment funds incorporated under Sammarinese law arising from previous system rescue transactions and currently under liquidation: the Loan Management Fund and the Odisseo Fund. For further details, reference should be made to the relevant section of the Notes to the Financial Statements.

Interbank operations

As part of its financial activity, at the end of 2025 the Bank recorded a positive net interbank balance of €93.430 million. Compared with the corresponding figures at the end of 2024, the balance recorded a decrease of €23.460 million (-20.07%), resulting from the Bank's investment policy favouring financial instruments with higher profitability, albeit with low risk. The maintained level of net position demonstrates a significant interbank surplus, confirming the constant liquidity safeguards through the management and monitoring of the related risks and in the context of prudent management of treasury assets.

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Loans to banks	94.752.772	118.943.905	-24.191.133	-20,34%	100,00%	100,00%
- In euro	87.063.567	114.488.071	-27.424.504	-23,95%	91,88%	96,25%
- In foreign currency	7.689.205	4.455.834	3.233.371	72,56%	8,12%	3,75%
Amounts due to banks	1.322.248	2.053.594	-731.346	-35,61%	100,00%	100,00%
- In euro	1.322.248	2.053.594	-731.346	-35,61%	100,00%	100,00%
- In foreign currency	-	-	-	-	-	-
Net position	93.430.524	116.890.311	-23.459.787	-20,07%	100,00%	100,00%
- In euro	85.741.319	112.434.477	-26.693.158	-23,74%	91,77%	96,19%
- In foreign currency	7.689.205	4.455.834	3.233.371	72,56%	8,23%	3,81%

Shareholdings

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Shareholdings	5.797.079	5.797.079	-	-	42,47%	42,47%
Investments in group companies	7.852.013	7.852.013	-	-	57,53%	57,53%
Investments in group companies	13.649.092	13.649.092	-	-	100,00%	100,00%

A concise illustration of the main investee companies operating in the various sectors of the Group's business has been summarised in the introductory notes to this Report, to which reference should be made.

Equity interests in Group companies recorded no changes during 2025; likewise, the values of the other minority shareholdings held remained unchanged.

Reference should be made to paragraph 6. Shareholdings of the Notes to the Financial Statements for a more comprehensive illustration.

Relationships with subsidiaries and the controlling entity

Transactions with investee companies form part of the Bank's ordinary operations and are conducted under normal market conditions. In order to provide information regarding the relationships entered into with Group companies, the following table sets out the credit/debit relationships maintained with subsidiaries relating to the balances of correspondent accounts. In its capacity as Parent Company, the Bank provides outsourcing services to its subsidiaries, governed under market conditions.

ASSETS AND LIABILITIES TO SUBSIDIARIES		
	31/12/2025	31/12/2024
Assets		
Due from customers	105.663	16.352
Bonds and other debt financial instruments	-	-
Total assets	-	16.352
Liabilities		
Due to customers	1.851.105	2.804.172
Debts represented by financial instruments	-	-
Other liabilities	-	-
Total liabilities	1.851.105	2.804.172
Guarantees and commitments		
- Guarantees given	-	-
- Commitments	-	-

Transactions with the controlling shareholder as well (holder of 64.72% of BAC's share capital) and related parties form part of the Bank's ordinary operations and are conducted under market conditions. In particular, financial relationships with the controlling shareholder (and related parties) are governed under market conditions and are represented within loans to and deposits from customers, or within guarantees issued in the interest of third parties.

For details of the financial relationships with investee companies, reference should be made to Tables 6.6 and 6.7 of the Notes to the Financial Statements.

Net equity and capital ratios

Net equity

Net equity, including the General Financial Risks Fund, amounted to €102.170 million, compared with €99.069 million at the end of 2024, with an increase of €3.102 million. The change is attributable to the positive result for the 2025 financial year and the distribution of part of the 2024 profit.

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Capital and Reserves	96.938.234	94.015.246	2.922.988	3,11%
Share capital - subscribed and paid-up shares	20.880.080	20.880.080	-	-
Ordinary reserve fund	49.069.046	50.046.289	-977.243	-1,95%
Extraordinary reserve fund	3.623.452	-	3.623.452	100,00%
Share premium reserve fund	-	-	-	-
Own share reserve fund	14.378	14.378	-	-
Non-distributable reserve fund	3.467.150	3.467.150	-	-
General Financial Risk Fund	18.184.127	18.184.127	-	-
Revaluation reserves	-	-	-	-
Retained loss	1.700.000	1.423.222	276.778	19,45%
Income for the year	5.232.381	5.053.790	178.591	3,53%
Total	102.170.615	99.069.036	3.101.579	3,13%

Shareholding structure

The share capital, fully subscribed and paid in, 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 amounts to 553 shares with a nominal value of €14,378, corresponding to 0.07% of subscribed share capital. As required by the regulations in force, against the treasury shares held in portfolio, the Bank established a specific reserve fund of an equal amount.

Regulatory capital and capital ratios

Should the Shareholders' Meeting approve the proposed allocation of profit, of which €2.014 million in favour of shareholders as dividends and €3.218 million to reserves, **Regulatory Capital**, including only retained earnings, will amount to €76.309 million (€78.324 million before distribution), with a Total Capital Ratio equal to 21.54% (22.11% before distribution), improving by 0.15 percentage points compared with 31 December 2024, although Regulatory Capital still includes deductions relating to the previously recognised suspended AQR adjustments, which remain equal to €13.745 million.

Considering the minimum capital coverage requirements to be complied with for debtor default risk, operational risk, as well as supervisory expectations regarding minimum coverage of impaired credit exposures, the so-called "Calendar provisioning", the Bank did not record any capital shortfall for Prudential Supervisory purposes during the financial year just ended and, on the contrary, recorded a significant capital surplus equal to €28.068 million (€30.083 million before distribution).

Communication, marketing and commercial activity

During 2025, several initiatives were launched, some completed and others still in progress, more specifically:

- integration of all POS devices of merchant customers with the **international JCB** (Japan Credit Bureau) **network**;
- initiation of the first discussions for enabling the **American Express** network on POS devices;
- development of a new debit card on the **Bancomat** network, with customised graphics and produced using ESG-compliant materials;
- activation of the **Mastercard Move service (exclusive within the territory of San Marino)**, allowing BAC private and corporate customers to transfer money quickly and securely through cards issued on the Mastercard network, using only an app;
- issuance and distribution of BKN301, now Klirway, **business prepaid** cards;
- activation of incoming **instant transfers**;
- integration of the Italian **PagoPA** payment system through remote banking;
- conclusion of a **collective insurance policy in favour of all BAC customers**, covering accidents arising from principal and secondary professional activities and from any other non-professional activity resulting in permanent disability exceeding 60% or death.

Communication activities

The communication strategy pursued during the financial year proved to be effective, with excellent performance in terms of engagement and reach, particularly for content published on the occasion of holidays and world awareness days.

Social media activity maintained a positive trend, with a significant increase in interactions, clicks and followers. BAC stands out within the competitive landscape for the highest number of published contents and ranks second in terms of total interactions, preceded only by the CBSM.

In June 2025, BAC's **Instagram profile** was launched, with an educational and informative editorial approach. Although linked to the same themes addressed on other social media channels, the contents are always adapted to the language of the specific channel and structured in carousel format, with the objective of offering concrete value to users by providing useful information, points for reflection and advice relating to banking and financial solutions. These results highlight a positive evolution of the strategy and pave the way for new experimentation, continuing to combine creativity, informative value and attention to the public.

In August 2025, the **brand awareness** project was completed through a new form of video communication with a light-hearted and informal tone, considered more youthful and engaging. The initiative aimed to enhance and promote the products of BAC and the Group companies, reaching a younger audience and helping to overcome the stereotypes traditionally associated with banking institutions. The video contents were published every two months on social media channels and Digital Signage platforms. The videos focused on the services provided by the BAC Group and featured, as extras, the young athletes of **FSAL Atletica Leggera**, an organisation with which a partnership is in place, thereby helping to strengthen ties with the local area and younger audiences. In addition to managing social media activities, we are also present with our content in certain local newspapers.

Sponsorships and charitable activities

BAC continued its commitment to supporting charitable, sporting and cultural initiatives.

In the charitable sphere, donations were made to the Associazione Progetto Sorriso, support was provided for the event "Custodi della Speranza", and contributions were made to Colletta Alimentare.

In the sporting and cultural sectors, BAC confirmed its support for several local organisations, including Federazione Sammarinese di Atletica Leggera, San Marino Academy Ballet, Federazione Sammarinese Nuoto e Rugby, as well as the rally season, the Gruppo Podistico, the photographic exhibition "Quale Repubblica" and Associazione Studentesca for the traditional "Veglieone Studentesco".

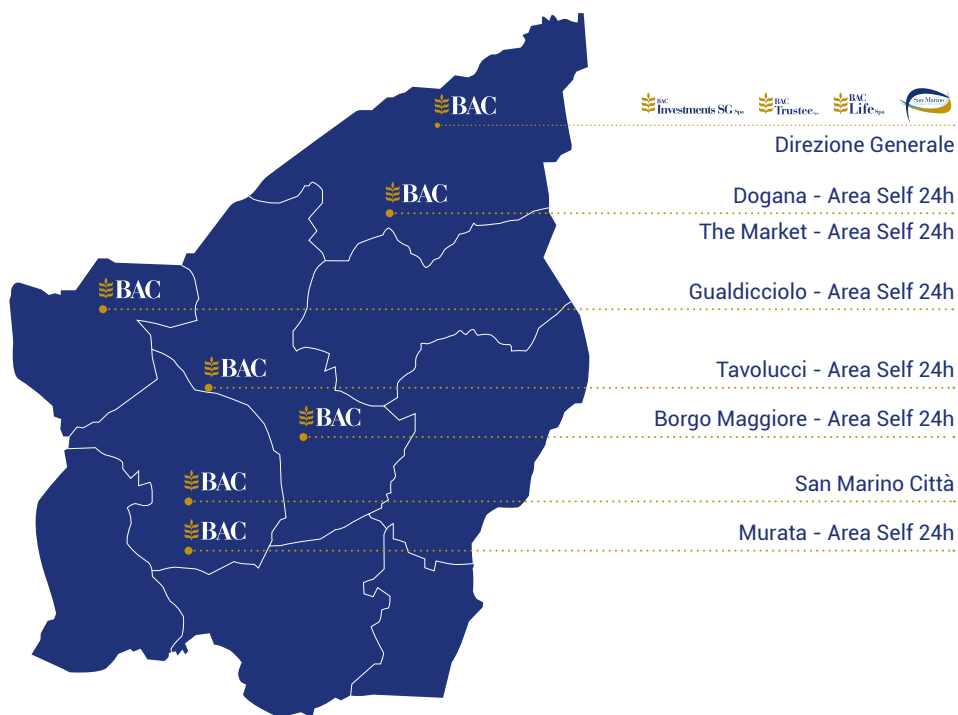
BAC 2026 Calendar

We were pleased to present the 2026 calendar to the Most Excellent Captains Regent, dedicated to the artist Aldo Volpini on the fiftieth anniversary of his death. The calendar celebrates one of the most important interpreters of twentieth-century Sammarinese art and pays tribute to the landscapes, symbols and cultural identity of the Republic of San Marino.

Territorial presence

Thanks to its retail network structured through a distribution model composed of main branches and detached counters, BAC maintains a widespread presence throughout the Republic, thereby providing prompt responses to customers and ensuring maximum flexibility. Its structure is set out below:

- Head Office, together with the four subsidiaries: BAC Investments SG S.p.A., BAC Life S.p.A., BAC Trustee S.p.A. and San Marino Finanza e Previdenza S.r.l.;
- 5 branches and 3 detached counters covering the entire territory of San Marino;
- 6 Self-Service Areas open 24 hours a day to guarantee a complete and continuous service;
- Web Banking to always have your bank just a click away.



Organisational activities and operating structure

Organisational activities and the evolution of the IT infrastructure were directed towards the development of new products and services, and the adaptation of procedures to the changing regulatory and legislative environment.

Particular attention was devoted to the revision of the Policy Framework dedicated to cybersecurity and the management of related risks, as well as to the strengthening of cybersecurity safeguards.

Operating structure and project aspects

The main projects carried out during 2025 are set out below:

IT AREA

- Updating of perimeter logical security infrastructures;
- updating of access control and physical security systems;
- updating of the entire fleet of personal computers and servers relating to the Operating System component reaching end-of-support;
- implementation of technological services supporting the new SCT Instant payment schemes.

PAYMENT CARDS AND PAYMENT SYSTEMS AREA

During the financial year, the area dedicated to this segment was engaged in carrying out final testing activities and in the activation phases of the new Banking Information System components developed in order to adapt it to the new payment system messaging standards and the regulatory obligations imposed by payment networks, in particular:

- during the first half of the year, the SCT Instant incoming service was launched in line with regulatory deadlines; during the financial year, functional analysis and the implementations necessary for the provision of the SCT Instant outgoing service continued, becoming operational in April 2026;
- programs were updated for the management of the EPC November Change relating to SEPA payment schemes;
- programs were updated for the management of the new SWIFT messaging in ISO 20020 format, with migration to the new ISO 20020 messaging standard in compliance with the November 2025 deadline required by SWIFT;
- the project phases agreed with Bancomat regarding the connection of the Issuing component to the Centralised Bancomat Infrastructure were completed, with migration of the Cards in September;
- activities were launched for the implementation and adaptation of the information system and technological components necessary for the management of Bancomat Pay;
- the Swift Payment Controls system service was activated, enabling the detection and interception in real time of anomalies in payments sent

through the Swift network, such as operational errors or attempted fraud.

ORGANISATION AREA

The organisational and operational activities initiated and overseen to ensure the proper functioning of the structures and services provided by the Institution mainly concerned the constant monitoring of internal production processes, with the aim of improving efficiency levels through technological and/or functional interventions.

Particularly noteworthy in terms of results achieved and commitment are:

- the adoption of an Artificial Intelligence-based solution dedicated to corporate compliance, updated during the first half of the year through the acquisition of Sammarinese regulatory sources. The solution is dedicated to regulatory monitoring, allows repetitive activities to be delegated and, through an Artificial Intelligence-supported monitoring system, enables consultation of regulations in order to oversee risks and identify business opportunities;
- the implementation of CBSM Regulation no. 2024/05, which defines the MiFID2 regulatory framework and governs the provision of investment services and activities;
- the management and production start-up of the adjustments necessary for the correct feeding of the Accounts and Safety Deposit Boxes Register, managed by the Financial Intelligence Agency of the Republic of San Marino, supplied by financial/non-financial entities for anti-money laundering purposes and accessible to the competent authorities.

Staff

Workforce evolution and composition

As at 31 December 2025, the Bank's workforce consisted of 99 employees, recording a decrease of 5 resources compared with the previous financial year. The change resulted from the termination of the employment relationship of 6 employees (1 Executive, 1 Officer, 2 Middle Managers and 2 Clerks) and the recruitment of 1 fixed-term employee (Employee).

Law no. 153/2023 made it possible to maintain/activate staff secondments to Group Companies and Investee Companies, amounting overall to 5.75 units. In addition, 2 employees from Subsidiaries were seconded to BAC for a total of 1.05 full time equivalent (FTE).

Part-time working arrangements involving 13 employees, together with absences due to leave of absence and parental leave, brought the FTE figure to 89.26 units.

At year-end, the workforce consisted of 2 Executives representing 2.02% of the total, 18 Officers (18.18%), 12 Managers (12.12%) and 67 Employees (67.68%).

The average age of employees was 50.14 years.

52% of personnel operated within the Commercial Network, while 48% were employed in the Head Office and Organisational Units.

The following tables show the composition of the workforce by qualification, age group, length of service and educational qualification.

COMPOSITION BY QUALIFICATION	MALE	FEMALE	TOTAL	% INCIDENCE
Managers	1	1	2	2,02%
Executives	12	6	18	18,18%
Middle managers	9	3	12	12,12%
Clerks	29	38	67	67,68%
Total	51	48	99	100,00%

COMPOSITION BY AGE	MALE	FEMALE	TOTAL	% INCIDENCE
Over 50	32	26	58	58,59%
From 41 to 50	16	16	32	32,32%
From 31 to 40	3	5	8	8,08%
Up to 30	0	1	1	1,01%
Totale	51	48	99	100,00%

COMPOSITION BY LENGTH OF SERVICE	MALE	FEMALE	TOTAL	% INCIDENCE
Over 30	16	19	35	35,35%
From 21 to 30	22	12	34	34,34%
From 11 to 20	11	13	24	24,24%
Up to 10	2	4	6	6,06%
Total	51	48	99	100,00%

COMPOSITION BY EDUCATIONAL QUALIFICATION	MALE	FEMALE	TOTAL	% INCIDENCE
Degree	14	15	29	29,29%
Diploma	36	33	69	69,70%
Other	1	0	1	1,01%
Total	51	48	99	100,00%

Training

The training planning process arises from the need to develop skills and knowledge functional to the achievement of strategic objectives, supporting change processes and promoting the improvement of organisational and individual performance. Training is aimed at fostering professional and personal growth, enhancing the skills of each individual.

Training hours during the 2025 financial year exceeded 6,000, marking a significant increase compared with the previous financial year.

In addition to ensuring compliance with regulatory requirements, the objective of the 2025 Training Plan was to strengthen professional skills in support of business development, while at the same time enhancing so-called soft skills, namely the personal and social abilities that influence interaction, problem-solving and teamwork.

In line with the 2025–2027 Business Plan, training activities were structured into three macro areas:

1. training activities aimed at compliance with regulations in force;
2. activities aimed at strengthening commercial operations and risk management in the areas of Finance, Insurance and Credit;
3. training programmes for managers and professionals aimed at improving communication, cooperation and trust, contributing to the creation of a positive working environment.

The 2025 training programme was inaugurated with a team-building event aimed at promoting the physical and mental well-being of employees, strengthening interpersonal relationships and fostering a positive corporate climate.

The managerial training programme, already introduced in previous financial years, continued with the involvement of professionals from organisational units and branches.

On the advisory side, during the second half of the year a training programme was implemented for branch colleagues working in close contact with customers. The initiative aimed to strengthen specialist and relational skills, with particular

attention to enhancing the advisory services offered and ensuring their full appreciation by customers.

In the insurance sector, online training programmes and classroom sessions were launched, the latter dedicated to the products intermediated by the Bank. In compliance with the provisions of CBSM Regulation 2024-02 concerning insurance and reinsurance distribution, the two Distribution Activity Managers (RADs) participated in a seminar held by representatives of the CBSM and the FIA, successfully passing the Specific Supplementary Test (TIS), a requirement for maintaining their role.

Following the entry into force of the CBSM Regulation on Investment Services (MiFID II - Reg. 2024-05), an assessment activity was carried out through the ABILearning platform, involving staff from the network, the finance area, the Head Office and subsidiaries. This activity made it possible to define training plans compliant with ESMA Guidelines and consistent with regulatory requirements and the technical skills required.

With regard to AML matters, participation in courses organised by the ABS and conducted by representatives of the FIA was encouraged. The Internal Anti-Money Laundering Officer (RIA) delivered training sessions addressed to all personnel, complemented by specific sessions dedicated to Senior Executives. Lastly, the RIA and the SRIA took part in specialist programmes promoted by leading companies in the sector, with the objective of updating and consolidating the professional skills required by the regulations in force.

Colleagues authorised to carry out trust activities participated in the annual refresher course organised by the University of San Marino in order to maintain the authorisation obtained. At the same time, one employee undertook the entire training programme and successfully passed the final examination, thereby obtaining the relevant authorisation.

The Cyber Security training programme continued for the entire workforce, as it was considered an essential factor in ensuring adequate capabilities for identifying and managing cyber threats.

Within the framework of initiatives promoted by the ABI, the Bank encouraged participation in the course "Interest rate, spread and liquidity risks: regulatory and methodological developments relating to IRRBB and CSRBB" and in the "Corporate Credit Analyst" programme, with the employee successfully passing the final examination.

With a view to continuous improvement and technological adaptation, participation was recorded in sessions dedicated to artificial intelligence and fintech - organised by external training bodies - with the aim of equipping personnel with useful tools to address future challenges, improve business processes, optimise efficiency and support the Institution's strategic decisions. With regard to workplace safety, in compliance with Law no. 31/1998, mandatory courses were organised for Fire Prevention Officers, together with evacuation drills in all Bank branches, during which the Head of the Prevention and Protection Service (RSPP) carried out "Training and Information" activities for employees regarding risks connected with work activities.

The activities carried out during the year demonstrate the Bank's constant attention to the professional growth of its personnel and to the maintenance of high standards of competence, necessary to operate in an environment undergoing continuous change.

Risk management and supporting control methodologies

The Internal Control System (hereinafter also referred to as the "ICS") consists of the set of rules, procedures and organisational structures aimed at ensuring compliance with corporate strategies and the achievement of effectiveness and efficiency in business processes, the safeguarding of asset value, the reliability and integrity of accounting and management information, and the compliance of operations with the entire regulatory framework in force.

The Bank has structured its internal control system in such a way as to ensure that activities are conducted according to sound and prudent management principles and effective risk oversight, aligned with the strategies and policies adopted, enabling the achievement of corporate objectives in compliance with plans, procedures and internal regulations, as well as with laws and supervisory regulations.

Controls involve, with different roles, the administrative bodies, the Board of Statutory Auditors, Management and all personnel, and constitute an integral part of the Bank's day-to-day activities.

The control system is structured across three levels:

- line controls (first level), aimed at ensuring the proper execution of operations. These are carried out by the operating structures themselves (for example hierarchical controls), incorporated into procedures or performed within back-office activities;
- risk management and compliance controls (second level), aimed at verifying compliance with the limits assigned to the various operating functions and monitoring the compliance of business operations with regulations, including self-regulatory provisions. These controls are entrusted to specific functions in order to ensure the separation between operating and control functions;
- internal audit activities (third level), aimed at assessing the functionality of the overall internal control system and identifying anomalous trends, procedural violations and regulatory breaches. These activities are carried out continuously, periodically or on an exception basis, including through on-site inspections by the Internal Auditing Function.

The **Internal Auditing Function** (hereinafter also referred to as "IA") is entrusted with the task of assessing the completeness, adequacy and effectiveness of the internal control system and bringing to the attention of the Board of Directors and the Head of the Executive Structure any possible improvements to risk management policies, measurement instruments and procedures.

The IA also aims to contribute to the protection of the Group's assets and stability and of all companies belonging to it, and to provide "reasonable assurance" that the corporate organisation is able to achieve its objectives efficiently.

The Head of IA reports directly to the Board of Directors, prepares the guidelines and the annual plan of audits/inspections to be carried out in relation to the Bank and all Group Entities for which the Function has been outsourced, without prejudice in any case to the right to intervene across the entire perimeter, and submits them to the Board of Directors for approval.

All other control Functions - **Risk Management, Compliance and Anti-Money Laundering** - also report directly to the Board of Directors, in compliance with the regulations in force and best practices.

The **Risk Management Function** is responsible for second-level controls in the area of risk management; in particular, it contributes to the definition of risk measurement methodologies, verifies compliance with the limits assigned to the various operating structures and monitors the consistency of the operations of individual business areas with the assigned risk-return objectives. The Risk Management function has an overall view of all risks undertaken by the Bank and, more generally, by the Group, and brings together within it the specific expertise relating to the management of the various types of risk, ensuring the promotion of a risk culture at corporate level.

The **Compliance Officer (Compliance Function)** is responsible for verifying the Bank's regulatory compliance and, where applicable, that of the Subsidiaries, with legal, statutory and supervisory provisions, ensuring that Internal Regulations comply with such provisions. In particular, the Compliance Officer ensures the adequacy, functionality and reliability of safeguards in line with regulatory and supervisory requirements, as well as with internal policies and procedures. The Function carries out advisory activities on compliance matters for corporate bodies and personnel and collaborates in defining policies, procedures and internal processes in order to ensure compliance and manage so-called "compliance risk".

Furthermore, it manages the Complaints Office by carrying out the following activities: collecting and recording complaints submitted by customers, handling their investigation and involving the relevant business units, and preparing the related periodic reports.

With regard to the **Anti-Money Laundering Officer (RIA)**, this role guarantees all activities established by the regulations in force concerning the prevention and combating of money laundering, terrorist financing and the proliferation of weapons of mass destruction. The RIA is responsible for receiving internal reports of suspicious transactions, investigating them and transmitting them to the FIA where considered well-founded. The RIA independently analyses transactions carried out by customers, seeks and acquires information and, where the anomalies identified are deemed actually attributable to suspicion, submits a report to the FIA. The RIA acts as liaison with the FIA, responds promptly to requests received from it and ensures the transmission of the relevant communications thereto. The RIA prepares an annual report on the activities carried out, including the control plan, submitting it to the Board of Directors; annually, the RIA also proposes to the Anti-Money Laundering Committee a training plan for all employees of the Banking Group, aimed at ensuring the continuous updating of Senior Management, employees and collaborators according to the duties performed.

The RIA also receives internal whistleblowing reports concerning breaches of anti-money laundering regulations, ensuring that all employees, collaborators and corporate officers are able to submit reports, and oversees their transmission to the FIA.

AML Staff

In carrying out its duties, the RIA is supported by the Staff Structure known as

"AML" (Anti Money Laundering). The AML Staff ensures the execution of all operational and control activities relating to the prevention and combating of money laundering and terrorist financing for the Bank and, where applicable (outsourcing), for the Subsidiaries.

Anti-Money Laundering Committee

The Anti-Money Laundering Committee oversees activities relating to the prevention and combating of money laundering, terrorist financing and the "financing of proliferation" (i.e. financing of programmes for the proliferation of weapons of mass destruction), also preventing the involvement of designated entities in the aforementioned phenomena or in the circumvention of restrictive measures.

The Anti-Money Laundering Committee represents the natural forum for meeting, sharing and discussion regarding all "anti-money laundering" aspects provided for by law or by the provisions of the Supervisory Authorities; consequently, all participants, each within their respective functional and operational areas, are required to provide their contribution of knowledge and experience in order to enable the Committee, in particular, to support the Administrative Body and the Head of the Executive Structure in carrying out their duties, with the aim of effectively managing and mitigating the Risks to which the designated entity is exposed.

At least once a year, the Anti-Money Laundering Committee submits to the Administrative Body, the Head of the Executive Structure and the Board of Statutory Auditors a report on the initiatives undertaken and on the critical issues still in the process of resolution.

All control functions, in order to pursue full awareness of risks in the management of control processes, maintain continuous critical interaction through periodic meetings and reciprocal exchanges of information flows.

Risk management policies

With regard to the overall management of the risks to which it is exposed, the Bank has defined a map of significant risks which constitutes the framework within which risk assessment, measurement, monitoring and mitigation activities are developed. To this end, it has identified all significant risks to which it is, or could be, exposed, such as to jeopardise its operations, the pursuit of its strategies and the achievement of corporate objectives. For each type of identified risk, the related sources of generation are identified (also for the purpose of subsequently defining the instruments and methodologies supporting their measurement and management) together with the structures responsible for their management.

With regard to the monitoring and management of risks (credit, market, liquidity, interest rate, foreign exchange, counterparty and operational risk), the Risk Committee met periodically in order to verify the level reached by the risk indicators defined by the Board of Directors and to define any recovery strategies in the event of limits being exceeded. Where limits were exceeded, the Board of Directors was informed accordingly.

Credit and counterparty risk

Credit risk is defined as the risk that, within the context of a credit transaction, the debtor fails, even partially, to fulfil repayment obligations relating to principal and/or the payment of interest to the creditor. The definition of credit risk also includes the risk of debtor downgrading, namely the possibility that the creditworthiness of a counterparty proves lower than originally estimated by the creditor.

The methods for managing and monitoring this risk are governed by the Credit Regulation in force from time to time. The document defines the Bank's policies regarding credit granting and sets out the guidelines that must inspire lending activities, the organisation of the credit process and the functions involved, together with the related risks. More specifically, with regard to strategic limits, the document sets out their definition, permitted levels, monitoring methods and the management of any breaches.

Prudential Supervisory regulations (CBSM Regulation no. 2007-07) require banks to maintain a level of Regulatory Capital sufficient to cover 11% of total risk-weighted assets according to the risk of loss resulting from debtor default. These credit risk weighting coefficients, applied to exposures net of value adjustments, differ according to three parameters and, in particular, debtor counterparties, country risk and guarantees received.

In order to achieve greater focus in the management and monitoring of problematic loans, the Bank has adopted specific regulations concerning Doubtful Loans. The document defines the methods for classification, management and assessment of doubtful loans. Impaired loans are assigned to dedicated internal organisational units. In order to reduce the risk of generating problematic loans and analyse predictive signals of insolvency situations, controls are carried out on anomalous trends, with consequent communication to the relevant organisational units aimed at restoring proper operations.

The credit risk limits monitored by the Risk Management function concern: maturity limits, maximum financing amount limits for mortgage loans in relation to the appraised value of the property, as well as specific limits on financial leasing transactions, such as duration, amount of advance instalment and amount of final redemption value.

In addition to traditional lending activities, banks are normally exposed to position and counterparty risks with reference to securities trading activities. To this end, the Bank has defined appropriate strategic limits in terms of maximum exposure per individual security, for homogeneous categories of securities (for example by asset class, currency, geographical area, etc.) and for individual counterparties or banking groups, the management and monitoring of which are governed by the Finance Regulation.

Market and foreign exchange risk

In managing its proprietary portfolio, the Bank is exposed to market risks mainly due to the volatility of market rates and prices; possible fluctuations in the prices of purchased securities may generate actual losses (where the security is sold)

or potential losses (mark-to-market valuation).

In order to manage and monitor this type of risk adequately, consistently with the level of available capital, the Bank has defined within the Treasury Management Regulation its policies regarding the performance of treasury management and securities portfolio management activities. The document sets out the structure of the finance process, the functions involved, the related types of risk, the valuation rules for securities in the proprietary portfolio, the strategic limits and the related control methods.

The Risk Management function is responsible for verifying the strategic limits defined in the Regulation and reports the related findings to the Risk Committee, also informing the Board of Directors in the event of breaches. The market risk limits monitored by the Risk Management function concern the proprietary financial portfolio (securities and banks) and, in particular, Maximum Acceptable Loss, VAR (Value At Risk) and composition limits.

Furthermore, the Risk Management function verifies compliance with the limit defined in the Financial Portfolio Management Regulation relating to foreign exchange risk. Monitoring concerns the level of the open foreign exchange position.

Interest rate risk – Banking book

The Bank's financial statements are exposed to the risk arising from fluctuations in interest rates. Such fluctuations have both economic and equity impacts, due to the different composition of assets and liabilities in terms of rate type (fixed or variable) and repricing timing.

The Risk Management function is responsible for monitoring the aforementioned interest rate risk through ALM (Asset Liability Management) models, both over the short-term horizon (impact on net interest income) and over the medium-long-term horizon (impact on Equity), with the objective of measuring the impact of fluctuations in market interest rates on profitability and on the economic value of the Bank itself.

The results of interest rate risk monitoring are submitted to the attention of the Risk Committee, as well as to the Board of Directors.

Liquidity risk

An adequate level of liquidity is essential for the proper functioning of all banking operations, both in the short term and in the medium-long term. In order to address this risk, it is therefore appropriate to maintain an adequate level of liquid or readily liquidable assets in the short term and to maintain a proper balance between maturing assets and liabilities in the medium-long term. The level of liquidity is also monitored by the Supervisory Authority, which has long required banks to submit a specific reporting schedule.

Internally, the Bank has defined strategic limits, the management and monitoring of which are established by the Board of Directors in the Finance Regulation. The liquidity risk limit monitored by the Risk Management function is represented

by the coverage ratio of demand deposits. This indicator expresses the Bank's ability to withstand possible decreases in demand deposits.

The results of liquidity risk monitoring are submitted to the attention of the Risk Committee, as well as to the Board of Directors.

Operational risk

Operational risk is inherent in the conduct of banking activities, as it is generated across all business processes; the main sources of operational risk are attributable to possible internal fraud, malfunctioning of information systems, professional obligations towards customers, or the nature and characteristics of the products offered.

The Bank has defined responsibilities and organisational assignments distributed across both the governing bodies and the corporate organisational units, aimed at overseeing the risk in question.

Within the broader scope of the control activities under its responsibility, the Internal Auditing function carries out specific and targeted reviews concerning operational risks.

With regard to capital absorption requirements, the Prudential Supervisory regulations currently in force (CBSM Regulation no. 2007-07) provide for the application of the so-called Basic Indicator Approach under Basel. In particular, the minimum capital requirement is equal to 15% of the average gross intermediation margin over the last three financial years.

Charity

BAC has always devoted significant attention to charitable initiatives aimed at social causes and characterised by high ethical values. As customary, also during 2025, and in accordance with the resolution passed by the Shareholders' Meeting, the Bank's Board of Directors supported the following associations during the past financial year:

- Associazione Progetto Sorriso;
- Colletta Alimentare (Food Collection Initiative).

Significant events occurring after the end of the financial year

The macroeconomic and financial environment in 2026 continues to be characterised by uncertainty, influenced by the evolution of the monetary policies of the major central banks, still focused on containing inflation. The international environment is affected by escalating geopolitical tensions, particularly the new conflict between the United States and Iran, which is causing increased volatility in the energy and financial markets, with repercussions on commodity prices and global growth expectations, already showing signs of slowdown. Recent developments in the Persian Gulf area, including risks to the security of strategic energy routes, contribute to maintaining a high level of uncertainty.

The financial environment therefore remains exposed to exogenous risk factors, while the Supervisory Authorities continue to maintain a high level of attention on the risk profiles, capitalisation and liquidity of intermediaries.

In this scenario, the Company continues to closely monitor developments in the macroeconomic and financial environment, assessing the potential impacts on its operations and on the main risk factors, confident that the composition of its assets will make it possible to manage the current volatility without repercussions such as to significantly affect its profitability and capital adequacy indicators.

Among the significant events affecting the Company, it should be noted that the Shareholders' Meeting held on 23 March 2026 approved the purchase of the entire shareholding held by shareholder Euro Holding Spa, corresponding to 10.35% of the share capital. The transaction, completed on the same date and previously disclosed to the Supervisory Authority, resulted in the integration of the treasury shares reserve for the corresponding amount of €3.240 million.

Business outlook

At the beginning of 2026, the Administrative Body approved the 2026–2028 three-year Business Plan, reaffirming the Bank's business model as a commercial institution strongly rooted in the local area, placing customers at the centre of its activities, entrusted to relationship managers and specialised divisions in both the Corporate and Private sectors. Development of the services offered in Asset Management, Insurance and, more generally, Wealth Protection will continue, thanks to the specialisation acquired by the product companies within the Banking Group perimeter, with an increasing focus on sectors generating higher commission returns (lending/wealth management/asset management/fintech), including tailor-made services.

The period results confirm adequate profitability and capital adequacy profiles, in line with the objectives outlined in the Business Plan and with the regulatory adjustments introduced from time to time by the Supervisory Authority, including CBSM Regulation no. 2024/05 on financial investment services.

At the same time, preparatory activities continue in view of the entry into force of the Association Agreement with the EU, the effective date of which is not yet known, but which represents a significant turning point, bringing with it major challenges and growth opportunities for the Country and for the financial system.

We would like to express our sincere thanks to all the Bank's and the Group's Personnel for the commitment, professionalism and dedication demonstrated in carrying out their activities, as well as for the results achieved.

We also extend our appreciation to the Board of Statutory Auditors and the Supervisory Authority for the constant dialogue and support provided.

Lastly, our most sincere gratitude goes to our customers, whose trust and preference continue to enhance the value of the services and products offered by the Bank and the Group.

Proposal for approval of the Financial Statements and allocation of the profit for the year

Dear Shareholders,

We submit the financial statements for the year ended as of 31 December 2025 for your approval, consisting of the Statement of Assets and Liabilities, Profit and Loss Account, and Explanatory Notes to the Financial Statements in addition to the Management's Report on Operations.

Having also confirmed in 2025 the maintenance of a significant capital surplus compared with the minimum supervisory requirements, the Board of Directors proposes that the Shareholders' Meeting allocate the profit for the year of €5,232,381.44 as follows:

- €1,046,476.29 to the ordinary reserve, in compliance with statutory and regulatory requirements, equal to 20% of the profit;
- €2,171,501.15 to the extraordinary reserve;
- €2,014,404 for distribution to shareholders as a dividend equal to €2.80 per share.

Following the above approval, the composition of Shareholder's Equity relating to the 2025 financial year will be as follows:

NET EQUITY	31/12/2025
Share capital - subscribed and fully paid-up shares	20.880.080
Ordinary reserve fund	50.115.522
Extraordinary reserve fund	5.794.953
Share premium reserve fund	-
Reserve for treasury shares or treasury units	14.378
Non-distributable reserve	3.467.150
Revaluation reserves	18.184.127
Losses carried forward	-
General Financial Risks Fund	1.700.000
Profit/(loss) for the year	-
Total	100.156.211

San Marino, 29 April 2026

The Chairman of the Board of Directors

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Financial statements representation

Statement of Assets and Liabilities – Assets

CODE	ASSET ITEMS	31/12/2025	31/12/2024
10	Cash and cash equivalents with central banks and post offices	5.095.442	4.210.108
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	94.752.772	118.943.905
	a) At sight	70.023.146	95.876.306
	b) Other receivables	24.729.626	23.067.599
40	Loans to customers	237.360.885	220.539.458
	a) At sight	90.595.200	75.703.080
	b) Other receivables	146.765.685	144.836.378
50	Bonds and other debt financial instruments	310.997.731	245.835.440
	a) Public issuers	141.489.917	83.352.015
	b) Bank issuers	37.733.547	39.109.368
	c) Financial firms other than banks	114.393.159	110.149.879
	d) Other issuers	17.381.108	13.224.178
60	Shares, stocks and other capital financial instruments	19.606.630	18.223.653
70	Shareholdings	5.797.079	5.797.079
	a) Financial firms	5.009.872	5.009.872
	b) Non-financial businesses	787.207	787.207
80	Equity investments in group companies	7.852.013	7.852.013
	a) Financial firms	7.351.227	7.351.227
	b) Non-financial businesses	500.786	500.786
90	Intangible fixed assets	2.300.301	2.379.444
	a) Financial leasing	262.774	317.140
	<i>of which Assets under construction</i>	-	-
	b) Assets awaiting lease	-	-
	<i>of which Due to default by the tenant</i>	-	-
	c) Assets available from debt collection	-	-
	<i>of which Assets available for credit extinction through a settlement agreement</i>	-	-
	d) Goodwill	-	-
	e) Installation expenses	-	-
	f) Other intangible fixed assets	2.037.527	2.062.304
100	Tangible fixed assets	146.827.562	153.820.083
	a) Financial leasing	33.798.216	39.782.351
	<i>of which Assets under construction</i>	780.356	567.568
	b) Assets awaiting lease	-	987
	<i>of which Due to default by the tenant</i>	-	987
	c) Assets available from debt collection	88.839.874	88.851.187
	<i>of which Assets available for credit extinction through a settlement agreement</i>	88.839.874	88.851.187
	d) Lands and buildings	23.665.009	24.603.602
	e) Other tangible fixed assets	524.463	581.956
110	Capital subscribed and not paid-in	-	-
	<i>of which Called-up capital</i>	-	-
120	Own shares or quotas	14.378	14.378
130	Other assets	116.044.040	113.943.789
140	Accrued income or prepaid expenses	695.238	615.050
	a) Accrued income	298.023	169.303
	b) Prepaid expenses	397.215	445.747
150	Total assets	947.344.071	892.174.400

Statement of Assets and Liabilities - Liabilities

CODE	LIABILITY ITEMS	31/12/2025	31/12/2024
10	Amounts due to banks	1.322.248	2.053.594
	a) At sight	982.129	1.355.455
	b) Termor without notice	340.119	698.139
20	Amount due to customers	560.150.636	532.890.036
	a) At sight	476.402.502	447.273.471
	b) Termor without notice	83.748.134	85.616.565
30	Payables represented by financial instruments	180.688.865	166.875.803
	a) Bonds	-	-
	b) Certificates of deposit	180.688.865	166.875.803
	c) Other financial instruments	-	-
40	Other liabilities	99.575.471	86.008.506
	<i>of which Checks in circulation and similar securities</i>	<i>725.797</i>	<i>1.024.173</i>
50	Accrued expenses and deferred income	232.480	362.506
	a) Accrued expenses	-	-
	b) Deferred income	232.480	362.506
60	Severance	509.132	523.492
70	Reserves for risks and charges	2.094.625	1.390.439
	a) Provisions for pensions and similar obligations	-	-
	b) Tax reserves	1.107.000	483.803
	c) Other reserves	987.625	906.636
80	Provisions for credit risks	600.000	600.000
90	Provision for general financial risks	1.700.000	1.423.222
100	Subordinate liabilities	-	2.400.988
110	Subscribed capital	20.880.080	20.880.080
120	Share premium reserve	-	-
130	Reserves	56.174.026	53.527.817
	a) Ordinary or legal reserve	49.069.046	50.046.289
	<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	7.090.602	3.467.150
140	Revaluation reserves	18.184.127	18.184.127
150	Retained earnings (losses) carried forward	-	-
160	Profit (loss) for the year	5.232.381	5.053.790
170	Total liabilities	947.344.071	892.174.400

Guarantees and commitments

CODE	ITEMS	31/12/2025	31/12/2024
10	Guarantees given	17.256.507	15.440.751
	of which a) Acceptances	1.246.294	-
	b) Other guarantees	16.010.213	15.440.751
20	Impegni	12.172.816	16.539.180
	of which a) For specific use	9.295.546	13.975.958
	<i>of which Financial instruments</i>	-	-
	b) For unspecific use	1.361.981	1.023.725
	<i>of which Financial instruments</i>	-	-
	c) Other commitments	1.515.289	1.539.497
	Total	29.429.323	31.979.931

Profit and loss account

CODE	PROFIT AND LOSS ACCOUNT ITEMS	31/12/2025	31/12/2024
10	Interest income and similar revenues	21.527.216	24.989.278
	a) On loans to credit institutions	1.769.962	3.961.089
	b) On loans to customers	11.021.319	14.051.167
	c) On debt securities	8.735.935	6.977.022
20	Interest expense and similar charges	6.656.337	10.029.889
	a) On amounts due to credit institutions	3.660	3.930
	b) On amounts due to customers	3.198.194	4.937.586
	c) On liabilities represented by financial instruments	3.454.483	5.088.373
	<i>of which On subordinated liabilities</i>	65.863	71.916
30	Dividends and other revenues	443.826	826.827
	a) On shares, quotas and other equity securities	49.154	106.965
	b) On shareholdings	-	-
	c) On shareholdings in group companies	394.672	719.862
40	Commission income	8.211.341	7.387.758
50	Commission expense	2.327.183	2.088.613
60	Profits (losses) on financial transactions (+/-)	480.461	534.198
70	Other operating income	10.462.805	10.177.434
80	Other overhead costs	57.101	63.681
90	Administrative expenses	12.780.276	12.760.347
	a) Personnel expenses	7.969.762	7.753.433
	<i>of which - Wages and salaries</i>	5.596.210	5.476.772
	<i>- Social security charges</i>	1.566.777	1.482.056
	<i>- Severance</i>	518.403	518.082
	<i>- Pensions and similar obligations</i>	-	-
	<i>- Directors and auditors</i>	188.661	196.075
	<i>- Other personnel expenses</i>	99.711	80.448
	b) Other administrative expenses	4.810.514	5.006.914
100	Value adjustments on intangible fixed assets	343.251	311.700
110	Value adjustments on tangible fixed assets	9.395.086	9.129.283
120	Provisions for risks and charges	160.000	270.209
130	Provisions for credit risks	-	-
140	Value adjustments on loans and on provisions for guarantees and commitments	5.506.944	6.431.238
150	Write-backs on loans and provisions for guarantees and commitments	1.295.051	2.029.189
160	Value adjustments on financial fixed assets	26.580	-
170	Write-backs on financial fixed assets	3.770	98.302
180	Profit (loss) from ordinary activities	5.171.712	4.958.026
190	Extraordinary income	1.757.540	741.006
200	Extraordinary income	313.093	175.242
210	Extraordinary profit (loss)	1.444.447	565.764
220	Taxes for the year	1.107.000	470.000
230	Change in the provision for general financial risks	-276.778	-
240	Profit (loss) for the year	5.232.381	5.053.790

Cash flow statement (amounts in euros)

FUNDS GENERATED AND COLLECTED	31/12/2025	31/12/2024	FUNDS USED AND INVESTED	31/12/2025	31/12/2024
Funds generated from operations	22.591.769	22.270.176	Write-backs and utilisation of funds generated from operations	2.442.553	3.302.749
Profit (loss) for the year	5.232.382	5.053.790	Use of retirement fund	-	-
Provision for retirement fund	-	-	Use of severance indemnity fund	547.179	543.580
Provision for severance	532.818	534.057	Use of provisions for bad debts	-	-
Provision for general financial risks	276.778	-	Use of provisions for risks and charges	116.521	729.980
Allocation to provision for risks and charges	197.510	340.107	Decrease in the provision for bad debts	1.295.051	2.029.189
Provision for taxes and fees	1.107.000	470.000	Write-backs on tangible and intangible fixed assets	-	-
Increase in provision for bad debts	5.506.944	6.431.238	Use of taxes provision fund	483.803	-
Value adjustments on tangible and intangible fixed assets	9.738.337	9.440.984			
Increase in funds collected	54.640.626	361.238	Increase in funds invested	93.311.034	38.941.134
Due to banks	-	121.582	Cash and other valuables	885.334	-
Due to customers	27.260.600	-	Loans and advances to banks	-	-
Payables represented by financial instruments	13.813.062	-	Loans and advances to customers	21.033.319	-
Other liabilities	13.566.964	-	Bonds and other debt securities	65.162.290	35.157.311
Accrued liabilities and deferred income	-	239.590	Shares and other equity securities	1.382.977	-
Subordinated liabilities	-	66	Shareholdings	-	181.238
			Shareholdings in group companies	-	-
			Tangible and intangible fixed assets	2.666.674	3.602.585
			Other assets	2.100.251	-
			Subscribed and unpaid capital	-	-
			Accrued income and deferred expenses	80.188	-
Decrease in funds invested	24.191.133	72.051.488	Decrease in funds collected	3.262.359	52.439.019
Cash and other valuables	-	271.979	Due to banks	731.346	-
Loans and advances to banks	24.191.133	44.627.791	Due to customers	-	1.688.331
Loans and advances to customers	-	8.590.445	Payables represented by financial instruments	-	43.291.024
Bonds and other debt securities	-	-	Other liabilities	-	7.459.665
Shares and other equity securities	-	7.932.583	Accrued liabilities and deferred income	130.026	-
Shareholdings	-	-	Subordinated liabilities	2.400.988	-
Shareholdings in group companies	-	-			
Tangible and intangible fixed assets	-	-			
Other assets	-	10.423.902			
Subscribed and unpaid capital	-	-			
Accrued income and deferred expenses	-	204.787			
Changes in equity	-	-	Changes in equity	2.407.581	-
Increase in "Other reserves"	-	-			
Distribution of 2024 profit for the year	-	-		2.407.581	
Total funds generated and collected	101.423.528	94.682.902	Total funds used and invested	101.423.528	94.682.902

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Explanatory notes

Explanatory notes to the financial statements 31/12/2025

STRUCTURE AND CONTENT OF THE FINANCIAL STATEMENTS

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Structure and content of the financial statements

The financial statements for the year 2025 were prepared in accordance with the provisions of the Regulation no. 2016-02 about the preparation of the financial statements of banks issued on 31 August 2016 by the Central Bank of the Republic of San Marino, pursuant to article 39 of Law no. 165 of 17 November 2005.

As in previous years, particular attention was paid, on both form and content basis, to clarity, as well as to the truthful and correct representation of the Bank's real asset and financial situation. The accounting principles established by the applicable law were also applied.

The Financial Statements consist of the Balance Sheet, divided into asset and liability sections, and Guarantees and Commitments; the Profit and Loss Account prepared in a vertical format; and the Explanatory Notes. These are accompanied by the Directors' Management Report, the Board of Statutory Auditors' Report, and the Auditors' Report.

The statement of assets and liabilities and the profit and loss account are comprised of items (marked in Arab numbers), sub-items (marked by letters) and further details (the "of which" of the items and sub-items). The items, sub-items and relative details constitute the financial statements.

The addition of new items is allowed, on condition that their content cannot be traced back to any of the items already included in the schedules, and only if it is for a significant amount. Further information is provided in the explanatory notes.

The sub-items envisaged by the schedules may be grouped when they satisfy one of the two following conditions:

- a. the amount of the sub-items is negligible;
- b. the grouping aids the clarity of the financial statements; in this case the explanatory notes must provide a separate indication of the sub-items that were grouped.

For each account on the statement of assets and liabilities and on the profit and loss account the amount of the previous fiscal year is indicated. If the accounts are not comparable, those relative to the previous year must be adapted; any incomparability and adaptation or the impossibility of performing the latter must be indicated and commented upon in the explanatory notes.

The Explanatory Notes tables present current year data alongside prior year data for comparison.

The statement of assets and liabilities and the profit and loss account also contain accounts for which no amounts were recorded in both the fiscal year to which the financial statements refer and those of the previous year.

If an element in the statement of assets or liabilities is classified under different items of the balance sheet, the fact that it refers to items other than that under which it was posted must be indicated in the explanatory notes when such is necessary to the comprehension of the financial statements.

The various entries in the Financial Statements correspond to the company's accounts which were drawn up in correspondence to the administrative

transactions that occurred during the year.

In general, no conditions arose that entailed changing the way that the entries in the financial statements, or the relative criteria, are represented with respect to the previous year. In the cases in which this occurred, clear information is provided in the analysis of the single entry.

The accounts on the first day of the fiscal year correspond to those carried forward from the financial statements approved for the previous year.

The financial statements and the explanatory notes were drawn up in Euros, without decimal figures.

The recognition of incomes and charges was made on an accrual basis, regardless of the date of collection or payment, and in accordance with the principle of prudence. The latter principle presides, unless the formation of non-explicit reserves is envisaged.

In order to not reduce the information content of the financial statement's figures, implementing principles of truthfulness and clarity, income and expenses were not offset.

The write-down, amortization of asset items was exclusively made by means of a direct adjustment decreasing the value of said items.

Assets acquired in the name or on behalf of third parties are not shown in the financial statements. Assets managed by the credit or financial body in the latter's name but on behalf of third parties are shown in the financial statements only if the body in question is the title holder; unless specified otherwise, the amount of said assets is indicated in the explanatory notes, broken down into the various asset and liability items.

The tables of the explanatory notes set out in the 2017/03 application circular of Regulation 2016/02 are not given in this document if they are zero and not significant for Banca Agricola Commerciale Spa, for the illustration of the Stock and Flow data of the activity carried out by the Bank.

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 no. 10)

this item includes currencies with legal tender, including banknotes and foreign coins, money orders, bankers' orders and postal orders, as well as equated securities, coupons and on-demand securities. Included are also collectable coins and medals as well as gold, silver and stamped values.

Loans to credit institutions (asset item no. 30)

this item shows all loans to banks, whatever their technical form is, except for those represented by financial instruments, which require posting under item no. 50 "Bonds and other debt financial instruments".

Loans to credit institutions also contain the counter value of carry-over operations and repurchase agreements for which the transferee bank has a sale back obligation to the selling bank on the maturity of the securities. The amount posted is equal to the spot price paid. The spot transferred assets continue to be shown in the portfolio of the selling bank.

Loans to customers (asset item no. 40)

this item shows the loans deriving from financing contracts with customers, whatever their technical form is, on condition that, and to the extent to which the loan was effectively granted. The loans that have not been disbursed yet, even though recorded in the accounts on the "contracting date", are not included in this item, but in the item concerning commitments. The loans represented by financial instruments are recorded in item 50 "Bonds and other debt financial instruments".

The partial contributions received for matured or disputed loans are directly reduced by the value of the same loans. The contributions received in advance for loans not yet matured are posted under the liability item "amounts due to customers" or "other liabilities", depending on whether these contributions are interest bearing or not.

This item must include also the loans deriving from financial lease agreements for expired and not yet received rental charges and the connected loans for default interest.

"Loans to customers" comprise the counter value of carry-over operations and repurchase agreements in which the customer is obliged to the reverse repurchase of the securities spot transferred to the bank. The amount posted is equal to the spot price paid.

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

The following are the aggregates included in the 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 analysing the likelihood of their recovery on an analytical basis and calculating the relative presumed loss.

Unlikely to Pay: credit exposures for which it is unlikely that, without recourse to actions such as the enforcement of guarantees, the debtor will fully meet its credit obligations (principal and/or interest), irrespective of the existence of any overdue and unpaid amounts (or instalments). It is therefore not necessary to wait for an explicit sign of anomaly (non-payment), where elements exist implying a risk of default by the debtor (for example, a crisis affecting the sector in which the debtor operates). Within the credit exposure classified as unlikely to pay, all on-balance sheet and off-balance sheet exposures towards the same debtor in the above-mentioned situation are included. Retail exposures are classified in the category of unlikely to pay at the level of the individual credit line. Assessment 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. 3% 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.

Bonds and other financial instruments (asset item no. 50)

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.

More specifically:

- fixed financial instruments represent long-term investments and are made within the parameters defined by the Administrative Body. The closing balance of fixed securities was therefore measured at cost, including any fixed portfolio premiums/discounts, for instruments already included in the fixed portfolio in the previous year. It also includes the accrued portion, on an accrual basis, of the difference between the carrying amount or purchase cost and the lower/higher redemption value of the security. In the event of a lasting deterioration in the issuer's solvency position, as well as in the debt repayment capacity of the issuer's country of residence, fixed 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 CBSM 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)

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 CBSM Regulation 2016/02, even if they are included in the investment portfolio.

Shareholdings (asset items 70 and 80)

Both shareholdings in Subsidiaries, which constitute financial fixed assets as they are held as long-term investments, and shareholdings in other non-controlled companies are measured at purchase cost.

Shareholdings are written down in the event of a lasting deterioration in the issuer's situation and are written back where the reasons that gave rise to the write-downs cease to exist.

Dividends distributed by investee companies are recognised on a cash basis, namely in the period in which they are approved, which normally coincides with the period in which they are collected.

Intangible fixed assets (asset item 90)

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 100)

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 items 90 and 100)

The amount of assets subject (or awaiting to be subject) to financial lease is

recorded under item 90 of assets "Intangible fixed assets," or under item 100 of assets "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 cost entry used is included in item 100 "Value adjustments of intangible fixed assets" or item 110 "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)

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 100.

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)

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.

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 addition to bonds and certificates of deposit, this item includes, under the sub-item "other financial instruments", its traced acceptances and the atypical securities according to article II.III.8 of CBSM Regulation 2007/07. It should be noted that in this item the bank has exclusively entered those certificates of deposit issued. Debt financial instruments which are past due but have not yet been repaid upon the reference date are also included.

The spot value of repurchase agreement ("pronti contro termine") transactions is reported under the specific item 20 of liabilities, while the underlying securities are recorded under assets in item 50 "Bonds and other debt securities." In fact, in the case of repurchase agreements with an obligation to reverse the transaction, the transferring bank retains ownership of the assets underlying the operation, thereby increasing liquidity on the spot and, consequently, recording a definite liability toward the transferee (a liability, not a commitment).

Other assets - Other liabilities (asset item 130 – liability item 40)

These represent all assets and liabilities that cannot be classified under other asset or liability items. This item also includes any residual balances (debit or credit) of suspense and transit accounts not attributed to the appropriate accounts. Additionally, under other liabilities, it includes payment instruments drawn on the bank, such as cashier's checks.

Also included are non-interest-bearing cash deposits held with clearing institutions as collateral for derivative transactions (so-called margin accounts). The item 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 for trading or hedging purposes.

Accruals and deferrals (asset item 140 and liability item 50)

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)

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)

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.

Provisions for risks on credits (liability item 80)

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. 130 "Provisions for risks on credits" and not through the allocation of the profit for the year.

General financial risk fund (liability item 90)

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 130)

The ordinary reserve consists of the allocation of profits formed in previous years as required by the articles of association. Furthermore, it contains the reconstruction of the suspended taxation reserve following the extraordinary demerger operation by reverse incorporation of the company Istituto Bancario Sammarinese Spa, which occurred in November 2012.

Guarantees given (item 10)

Figurano tutte le garanzie personali prestate dalla banca, nonché le attività cedute a garanzia di obbligazioni proprie e di terzi.

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

To truly represent a real economic situation of the Bank, it has been used the deferred taxation. This is determined considering the fiscal effect connected with temporal differences between accounting value of assets and liabilities and their fiscal value that will determine taxable amounts in the future. To this end, "temporal differences" mean those differences which will result in taxable income, namely, deductions from taxable income in the future periods. In particular, they are registered assets for in-advance taxes when exists the reasonable certainty that they will be paid. They are registered liabilities for deferred taxes when it is likely that they will become an effective cost. In advance taxes are part of the item "other assets", whereas deferred taxes are part of the item "taxation fund".

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 - 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)

Table 1.1 - detail of item 10 "Cash and cash equivalents with central banks and post offices"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Cash and cash equivalents				
Vault cash	3.915.505	3.112.193	803.313	25,81%
Foreign currency vault	328.508	217.509	110.999	51,03%
ATM	456.065	636.295	-180.230	-28,32%
Cheques in € / currency	353.898	208.047	145.851	70,11%
Other values	41.465	36.064	5.401	14,98%
Total	5.095.442	4.210.108	885.334	21,03%

2. Treasury securities and other financial instruments eligible for refinancing with central banks (item 20)

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)

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

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight:	62.333.941	7.689.205	70.023.146	91.420.472	4.455.834	95.876.306	-25.853.160	-26,97%
A1. Reciprocal accounts opened for services rendered	59.579.057	-	59.579.057	86.134.585	-	86.134.585	-26.555.528	-30,83%
A2. Active current accounts	2.754.884	7.689.205	10.444.089	5.285.887	4.455.834	9.741.721	702.368	7,21%
A3. Others	-	-	-	-	-	-	-	-
B) Other receivables:	24.729.626	-	24.729.626	23.067.599	-	23.067.599	1.662.027	7,21%
B1. Fixed deposits	24.729.626	-	24.729.626	23.067.599	-	23.067.599	1.662.027	7,21%
B2. Active current accounts	-	-	-	-	-	-	-	-
B3. Repurchase agreement and active carryovers	-	-	-	-	-	-	-	-
B4. Others	-	-	-	-	-	-	-	-
Totale			94.752.772			118.943.905	-24.191.133	-20,34%

The composition of loans and advances to credit institutions shows a decrease in "On demand" balances of €25,853,160 and an increase in the item "Other loans and advances" of €1,662,027, resulting in an overall decrease of €24,191,133. The change reflects the Bank's investment policies, in compliance with the safeguards protecting liquidity risk defined in the current internal RAF (Risk Appetite Framework) Regulation.

Item B1 "Term deposits" includes: the restricted deposit for the Mandatory Reserve established by Decree no. 162 of 3 December 2009; the restricted deposit relating to contributions for the years 2022–2025 to the Depositors' Guarantee Fund; the deposit pledged as guarantee for intermediation towards the CBSM pursuant to Regulation no. 2013/03; restricted deposits placed with two Credit Institutions as guarantee for reciprocal contractual obligations undertaken (correspondingly, under item 10 of liabilities, deposits placed with BAC by the same Credit Institutions are recognised for an equal amount); the Escrow account established as guarantee for payments relating to Senior class securities deriving from the system-wide securitisation transaction of NPL loans pursuant to Law no. 157/2021 and subsequent amendments, completed in December 2023.

Table 3.2: situations of cash loans to credit institutions

CATEGORIES / VALUES	31/12/2025				31/12/2024			
	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	-	-	-	-	-	-	-	-
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. Overdue and/or in arrears	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
B) Performing credit exposures	94.752.772	-	94.752.772	-	118.943.905	-	118.943.905	-
of which subject to concessionary measures	-	-	-	-	-	-	-	-
of which Past due and/or in overdraft	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
Total	94.752.772	-	94.752.772	-	118.943.905	-	118.943.905	-
of which Subject to concession measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing operations	-	-	-	-	-	-	-	-
of which Deposits to central banks and demand deposits to other credit institutions	94.402.653	-	-	-	118.235.766	-	-	-

(*) Value to be displayed for disclosure purposes

Table 3.3: dynamics of doubtful loans to credit institutions

Data not present.

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

Data not present.

4. Loans to customers (asset item 40)**Table 4.1: breakdown of item 40 "Loans to customers"**

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight / revocation	88.079.840	2.515.360	90.595.200	74.944.879	758.201	75.703.080	14.892.120	19,67%
A1. Active current accounts	9.475.774	88	9.475.862	9.871.522	202	9.871.724	-395.862	-4,01%
A2. Others	78.604.066	2.515.272	81.119.338	65.073.357	757.999	65.831.356	15.287.982	23,22%
B) Other credits	146.757.198	8.487	146.765.685	144.559.811	276.567	144.836.378	1.929.307	1,33%
B1. Active current accounts	2.847.691	-	2.847.691	2.896.991	-	2.896.991	-49.300	-1,70%
B2. Discounted wallet and subject to collection	1.516.608	-	1.516.608	2.920.778	-	2.920.778	-1.404.170	-48,08%
B3. Repurchasing agreements and active carryovers	-	-	-	-	-	-	-	-
B4. Other financing	142.392.899	8.487	142.401.386	138.742.042	276.567	139.018.609	3.382.777	2,43%
Total	234.837.038	2.523.847	237.360.885	219.504.690	1.034.768	220.539.458	16.821.427	7,63%

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	31/12/2025		31/12/2024		VARIAZIONE	
	In euro	In foreign currency	In euro	In foreign currency	Amount	%
A) From mortgages	81.836.051	-	81.814.672	-	21.379	0,03%
B) From pledge on	8.425.383	-	7.360.312	-	1.065.071	14,47%
B1. cash deposits	1.796.204	-	2.216.198	-	-419.994	-18,95%
B2. securities	1.942.490	-	1.169.216	-	773.274	66,14%
B3. other values	4.686.689	-	3.974.898	-	711.791	17,91%
C) From guarantees of	104.637.965	-	111.059.109	-	-6.421.144	-5,78%
C1. Public administrations	22.896.905	-	26.784.038	-	-3.887.133	-14,51%
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	74.850.601	-	76.883.548	-	-2.032.947	-2,64%
C8. Families and non-profit institutions serving families	6.890.459	-	7.307.443	-	-416.984	-5,71%
<i>C8.1. Consumer and producer families</i>	<i>6.890.459</i>	-	<i>7.307.443</i>	-	<i>-416.984</i>	<i>-5,71%</i>
<i>C8.2 Non-profit institutions serving families</i>	-	-	-	-	-	-
C9. Others	-	-	84.080	-	-84.080	-100,00%
Total	194.899.399	-	200.234.093	-	-5.334.694	-2,66%

The table summarises all categories of secured loans and advances stated at net values. The analysis of the data highlights that the amount of net loans and advances backed by real and personal guarantees represents 71.81% of the total net loans and advances reported in the following table 4.3; furthermore, 33.26% is backed by real guarantees (pledge or mortgage).

Table 4.3: situation of cash loans to customers

CATEGORIES / VALUES	31/12/2025				31/12/2024			
	Gross exposure	Total value adjustments	Net exposure	Overall partial cancellations (*)	Gross exposure	Total value adjustments	Net exposure	Overall partial cancellations (*)
A) Impaired credit exposures	32.518.816	8.795.822	23.722.994	12.289.816	41.742.700	9.586.215	32.156.485	13.206.984
<i>of which Subject to concessionary measures</i>	7.118.914	472.704	6.646.210	-	850.449	51.367	799.082	-
<i>of which Arising from financial leasing transactions</i>	5.469.153	346.146	5.123.007	-	10.358.955	736.814	9.622.141	-
A1. Non-performing loans	14.084.907	4.354.570	9.730.337	4.449.834	15.600.028	4.838.902	10.761.126	5.367.002
<i>of which Subject to concessionary measures</i>	446.993	2.235	444.758	-	-	-	-	-
<i>of which Arising from financial leasing transactions</i>	2.115.548	10.773	2.104.775	-	2.334.696	179.117	2.155.579	-
A2. Probable defaults	17.855.002	4.424.005	13.430.997	7.839.982	22.739.909	4.659.153	18.080.756	7.839.982
<i>of which Subject to concessionary measures</i>	6.289.083	460.898	5.828.185	-	850.449	51.367	799.082	-
<i>of which Arising from financial leasing transactions</i>	3.348.610	335.123	3.013.487	-	4.818.414	477.551	4.340.863	-
A3. Overdue and/or in arrears	578.907	17.247	561.660	-	3.402.763	88.160	3.314.603	-
<i>of which Subject to concessionary measures</i>	382.838	9.571	373.267	-	-	-	-	-
<i>of which Arising from financial leasing transactions</i>	4.995	250	4.745	-	3.205.845	80.146	3.125.699	-
B) Performing credit exposures	249.294.365	1.595.484	247.698.881	-	229.931.824	1.448.373	228.483.451	-
<i>of which Subject to concessionary measures</i>	6.096.524	39.018	6.057.506	-	6.019.830	37.925	5.981.905	-
<i>of which Past due and/or in arrears</i>	13.538.166	86.644	13.451.522	-	15.168.963	95.565	15.073.398	-
<i>of which Arising from financial leasing transactions</i>	31.320.082	200.449	31.119.633	-	33.027.209	208.071	32.819.138	-
Total	281.813.181	10.391.306	271.421.875	-	271.674.524	11.034.588	260.639.936	-
<i>of which subject to concession measures</i>	13.215.438	511.722	12.703.716	-	6.870.279	89.292	6.780.987	-
<i>of which arising from financial leasing operations</i>	36.789.235	546.595	36.242.640	-	43.386.164	944.885	42.441.279	-

(*) Value to be displayed for disclosure purposes.

The table in question includes, together with the so-called traditional loans to customers, also loans from financial leasing activities. It therefore expresses the sum of the balance sheet items "40 – Loans to customers", "90 a) - of which intangible financial leasing" and "90 b) - of which assets pending lease", "100 a) - of which tangible financial leasing" and 100 b) - of which tangible assets pending lease".

Nevertheless, the residual debt relating to assets subject to leasing contracts, stated net of the related accumulated depreciation, continues to be recognised under tangible and intangible fixed assets. Finance lease receivables classified as bad loans are composed of two main elements: the receivable relating to overdue and unpaid instalments, included in the balance of the items shown

in table 4.1, and the residual principal debt which, although attributable to the underlying bad loan, continues to be recognised in the financial statements, pursuant to Law no. 115/2001, under leasing fixed assets, in the sub-item "assets awaiting lease termination".

For the calculation of the net value of receivables, and therefore of the estimated impairment losses, reference should be made to the valuation criteria set out in these Notes to the Financial Statements.

Among loans and advances to customers, subordinated financing to the Veicolo di Sistema is included for €1.413 million (increased during the financial year as a result of the allocation of the underlying assets of the Loan Management and Odisseo Funds), deriving from participation, as originating bank, in the system-wide securitisation transaction completed in December 2023.

Table 4.4: dynamics of doubtful loans to customers

REASONS / CATEGORIES	31/12/2025		
	Impaired credit exposures		
	Non-performing loans	Probable defaults	Past due/overdue loans
A) Initial gross exposure	15.600.028	22.739.909	3.402.763
<i>of which for interest on arrears</i>	<i>51.058</i>	<i>356.386</i>	<i>114</i>
B) Increases	209.236	14.566.608	1.054.157
B1. Inflows from performing credit exposures	5.094	569.014	100.800
B2. Inflows from other categories of impaired credit exposures	57.861	7.636	443.907
B3. Interest on arrears	4.505	9.196	1.381
B4. Other increases	141.776	13.980.762	508.069
C) Decreases	1.724.357	19.451.515	3.878.013
C1. Outflows to performing credit exposures	-	2.075.808	3.281.954
C2. Outflows to other categories of impaired credit exposures	-	501.768	7.636
C3. Write-offs	401.359	6.706	-
C4. Collections/reimbursements	1.151.827	15.264.723	568.496
C5. Realizations for disposals	-	-	-
C6. Other decreases	171.171	1.602.510	19.927
D) Final gross exposure as of 31/12/2025	14.084.907	17.855.002	578.907
<i>of which for interest on arrears</i>	<i>45.474</i>	<i>342.332</i>	<i>-</i>

The constant reduction in impaired credit exposures, together with the increase in performing loans, made it possible to achieve a net NPL ratio as at 31/12/2025 of 8.74%, down by 3.60% compared with 31/12/2024 (12.34%).

The indicator known as the NPE ratio also improved, decreasing from 14.87% in the previous financial year to the current 11.10%.

This indicator expresses the ratio between gross impaired credit exposures and the total amount of gross credit exposures, including loans and advances

to credit institutions, guarantees issued and commitments, both certain and uncertain, revocable or irrevocable (excluding deposits with central banks and demand deposits with other credit institutions).

The loan loss provision, amounting to €10,391,306, funded through movements during the financial year (provisions, write-backs and utilisations), ensures for impaired positions an accounting coverage ratio of 27.05%, increasing to 45.71% as a result of the minimum prudential coverage requirements calculated in compliance with so-called Calendar provisioning, deducted directly from Available Capital Margin for Pillar II requirements and directly from Regulatory Capital for Pillar I requirements in Prudential Supervisory reporting, of which: 2.98% on past due and overdrawn exposures, 40.86% on unlikely to pay exposures and 53.61% on bad loans.

On loans and advances to customers (impaired exposures and performing loans), total coverage represents 3.69% of gross loans and advances, increasing to 5.84% including the minimum prudential Calendar provisioning coverage, of which 0.64% relates to performing loans.

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

REASONS / CATEGORIES	31/12/2025			
	Impaired credit exposures			Performing loan exposures
	Non-performing loans	Probable defaults	Past due/overdue loans	
A) Initial total value adjustments	4.838.902	4.659.153	88.160	1.448.373
B) Incremental changes	146.223	408.510	17.037	754.922
B1. Value adjustments	128.552	404.390	2.977	437.699
<i>of which for interest on arrears</i>	4.031	-	-	-
B2. Utilizations of loan loss provisions	-	-	-	-
B3. Transfers from other categories of credit exposure	17.671	4.120	14.060	317.223
B4. Other changes in increases	-	-	-	-
C) Changes in decreases	630.555	643.658	87.950	607.811
C1. Reversals of valuation adjustments	23.112	119.502	4.849	291.056
<i>of which for interest on arrears</i>	-	-	-	-
C2. Writebacks from collection	206.084	193.529	230	312.572
<i>of which for interest on arrears</i>	-	-	-	-
C3. Cancellations	401.359	6.706	-	-
C4. Transfers to other categories of credit exposure	-	323.921	82.871	4.183
C5. Other decreases	-	-	-	-
D) Final total value adjustments as of 31/12/2025	4.354.570	4.424.005	17.247	1.595.484
<i>of which for interest on arrears</i>	45.474	-	-	-

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Public administrations	1.319.620	2.066.330	-746.710	-36,14%
B) Financial companies other than credit institutions	3.508.527	3.243.455	265.072	8,17%
- Monetary financial institutions	-	-	-	-
- Investment funds other than monetary market funds	-	-	-	-
- Other financial institutions	3.508.527	3.243.246	265.281	8,18%
- Insurance companies	-	209	-209	-100,00%
- Pension funds	-	-	-	-
C) Non-financial companies	184.545.768	172.106.071	12.439.697	7,23%
<i>of which subjects canceled from the register of authorized subjects</i>	-	-	-	-
- Industry	96.509.463	81.909.757	14.599.706	17,82%
- Construction	8.003.292	6.506.572	1.496.720	23,00%
- Services	76.113.633	83.562.036	-7.448.403	-8,91%
- Other non-financial companies	3.919.380	127.706	3.791.674	2.969,06%
D) Families and non-profit institutions serving families	82.047.960	83.224.080	-1.176.120	-1,41%
- Consumer and producer families	77.041.301	77.687.918	-646.617	-0,83%
- Non-profit institutions serving families	5.006.659	5.536.162	-529.503	-9,56%
E) Other	-	-	-	-
Total	271.421.875	260.639.936	10.781.939	4,14%

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

DESCRIPTION	AGREED	USED	GUARANTEES GIVEN
Auditors	65.000	-	-
Board members	-	-	-
Management	10.000	-	-
Total	75.000	-	-

Transactions carried out by the Bank with related parties were concluded under normal market conditions, as verified through controls performed by the Internal Auditing Function, requested in advance in the case of lending facilities and periodically monitored.

5. Bonds and other debt financial instruments and shares, accrued and other capital financial instruments (asset items: 50-60)

Table 5.1: breakdown of investment and trading financial instruments

ITEMS /VALUES	31/12/2025	
	Fixed assets	Non fixed assets
Bonds and other debt financial instruments:	147.508.194	163.489.537
a) Of public issuers	30.025.597	111.464.320
b) Credit institutions	32.969.160	4.764.386
c) Financial companies other than credit institutions	82.169.902	32.223.257
d) Other issuers	2.343.535	15.037.574
Shares stocks and other capital financial instruments	546.747	19.059.883
a) Other closed-end funds	546.747	498.558
b) Other equity instruments	-	637.400
c) Collective investment schemes (CIS)	-	17.923.925
<i>of which unavailable for repurchase agreements with retrocession obligation</i>	<i>21.265.854</i>	<i>-</i>
Total	148.054.941	182.549.420

Non-fixed securities included under the item "Bonds and other debt financial instruments" are recognised at market value as at the reporting date, namely 31/12/2025, in accordance with the valuation criteria set out in art. IV.I.1, paragraph 3, of CBSM Regulation no. 2016/02, disclosure of which has been provided in the relevant section of these Notes to the Financial Statements. Following completion of the system-wide securitisation transaction, on 14/12/2023 BAC subscribed the ABS Junior security, with a nominal value of €7,034,980, and the ABS Mezzanine security, with a nominal value of €4,376,188, both included in the investment portfolio and valued at the subscription price of 100; the ABS Senior security, with a nominal value of €6,368,692, was placed on the money market. In accordance with the Transaction Programme and legal provisions, part of the sums received from the sale of the ABS Senior security was pledged as guarantee for the transaction.

Compared with the initial subscription, the Bank currently holds Junior class securities for a total nominal value of €6,126,093 and Mezzanine class securities for a total nominal value of €5,938,162, following the exchange carried out in 2024 with the non-bank transferors pursuant to commitments undertaken within the securitisation transaction, as well as the transfer of the underlying assets of the Loan Management Fund during the first half of 2025 following the liquidation of the fund.

The value of these securities as at 31/12/2025 was maintained at 100 based on the following supporting elements:

- during the period from the issuance of the Notes to 31/12/2025, the securitisation transaction achieved collections performance at all payment

dates higher than initially estimated, also evidenced by the partial repayment of the Senior tranche for an amount exceeding initial forecasts;

- the Junior tranche is subject to a specific prudential treatment allowing for the gradual absorption of regulatory capital (in this regard, supporting the positive performance of the transaction, even in December 2025 the weighting coefficient did not undergo adverse changes linked to collection performance);
- the Mezzanine tranche is also subject to a penalising prudential regime, although stable.

The maintenance of the current valuation is also supported to date by the positive trend in collections. Further assessments will be carried out following future reviews regarding the continuation of the transaction.

For certain structured and High Yield bonds included in both the investment portfolio and the trading portfolio, the Bank commissioned valuations from leading independent consultancy firms, adopting the related fair value as at 31 December 2025.

The item "shares, units and other equity financial instruments" for fixed securities consists of:

- the Green Arrow Private Debt Fund, assigned following the liquidation of the Tower Credit Opportunities PLC Fund as at 31/12/2021, valued at Net Asset Value (market value).

The item "shares, units and other equity financial instruments" for non-fixed securities consists of:

- units in collective investment funds and shares valued at market price as at the reporting date, in accordance with the supervisory provisions under art. IV.I.1 paragraph 3 of CBSM Regulation no. 2016/02.
- units in the San Marino law funds Loan Management and Odisseo, deriving from previous system rescue operations, for a residual countervalue of €33,776 and €464,782 respectively, based on the period NAV; the significant reduction in value recorded during the period derives from the liquidation of such funds and the allocation of the underlying assets to unit holders.

With reference to the Odisseo Fund, in which the Bank held units with a countervalue at the beginning of the period of €4.9 million, during the first months of 2025 a programme settlement agreement was reached, also involving the transferor pursuant to guarantees previously granted in favour of the acquiring banks; the agreement made it possible to record significant positive effects on the Bank's equity, thanks to the replacement of higher-risk assets (ABS securities relating to the system-wide securitisation) with Government securities of the Republic of San Marino, included in the investment portfolio. With regard to the Loan Management Fund, under voluntary liquidation, the underlying assets deriving from the system-wide securitisation, namely Junior and Mezzanine class ABS securities, were assigned to unit holders and likewise included in the investment portfolio.

Table 5.2: breakdown of "investment financial instruments"

ITEMS / VALUES	31/12/2025			31/12/2024		
	Purchase price	Book value	Fair value	Purchase price	Book value	Fair value
1. Financial debt instruments	146.608.490	147.508.194	141.198.726	152.244.956	153.369.313	142.930.963
1.1 Bonds	146.608.490	147.508.194	141.198.726	152.244.956	153.369.313	142.930.963
- Listed	32.730.183	32.015.628	30.398.970	43.048.713	43.227.645	40.236.141
- Not listed	113.878.307	115.492.566	110.799.755	109.196.243	110.141.668	102.694.822
1.2 Other financial debt instruments	-	-	-	-	-	-
- Listed	-	-	-	-	-	-
- Not listed	-	-	-	-	-	-
2. Equity financial instruments	7.442.554	546.747	546.748	7.442.554	1.336.661	1.336.661
- Listed	-	-	-	-	-	-
- Not listed	7.442.554	546.747	546.748	7.442.554	1.336.661	1.336.661
Total	154.051.044	148.054.941	141.745.474	159.687.510	154.705.974	144.267.624

The differences between carrying amounts and market quotations, being related to investments which by their nature will be held to maturity, and largely represented by Government securities issued by the Republic of San Marino, based on the current assessment of issuer risk, will be offset by the redemption value; therefore, in the absence of further indications of impairment losses, they are not to be considered lasting losses in value.

Included within the portfolio under discussion is a listed subordinated debt security issued by a leading international banking issuer, with a carrying amount of €4,151,040.

Table 5.3: annual changes in investment financial instruments

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	154.705.974	156.082.206
Increases	5.410.312	8.697.481
1. Purchases	4.649.087	8.323.850
<i>of which Debt financial instruments</i>	<i>4.649.087</i>	<i>8.323.850</i>
2. Value recoveries	3.770	98.302
3. Transfers from the investment portfolio	-	-
4. Other increases	757.455	275.329
Decreases	12.061.345	10.073.713
1. Sales	-	1.260.850
<i>of which Debt financial instruments</i>	<i>-</i>	<i>1.260.850</i>
2. Refunds	11.792.262	8.492.530
<i>of which Debt financial instruments</i>	<i>10.998.579</i>	<i>6.698.485</i>
3. Value adjustments	-	-
<i>of which Lasting devaluations</i>	<i>-</i>	<i>-</i>
4. Transfers to the investment portfolio	-	-
5. Other decreases	269.083	320.333
Closing balance	148.054.941	154.705.974

It should be noted that the item "Purchases" includes the allocation transactions relating to Mezzanine and Junior class securities, as well as Government securities of the Republic of San Marino deriving from the distribution of the assets of the Loan Management and Odisseo Funds, which were placed under voluntary liquidation.

Table 5.4: breakdown of "Trading financial instruments"

ITEMS / VALUES	31/12/2025	31/12/2024
	Fair value	Fair value
1. Financial debt instruments	163.489.537	92.466.128
1.1 Bonds	163.489.537	92.466.128
- Listed	134.069.140	62.197.861
- Not listed	29.420.397	30.268.267
1.2 Other financial debt instruments	-	-
- Listed	-	-
- Not listed	-	-
2. Equity financial instruments	19.059.883	16.886.991
- Listed	637.400	-
- Not listed	18.422.483	16.886.991
Total	182.549.420	109.353.119

Included in the portfolio detailed above are two listed subordinated debt securities issued by leading international banking and insurance issuers, with a carrying amount of €2,047,134.

Table 5.5: annual changes in "trading financial instruments"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	109.353.119	80.752.159
Increases	181.350.120	322.901.703
1. Purchases	174.056.648	318.652.755
<i>of which Debt financial instruments</i>	<i>160.818.988</i>	<i>313.100.869</i>
<i>of which Equity financial instruments</i>	<i>13.237.660</i>	<i>5.551.887</i>
2. Value recoveries and revaluations	1.541.308	684.728
3. Transfers from the investment portfolio	-	-
4. Other increases	5.752.164	3.564.220
Decreases	108.153.819	294.300.743
1. Sales and refunds	102.332.419	290.406.107
<i>of which Debt financial instruments</i>	<i>89.815.930</i>	<i>269.385.353</i>
<i>of which Equity financial instruments</i>	<i>12.516.489</i>	<i>21.020.754</i>
2. Value adjustments and write-downs	3.019.193	3.144.466
3. Transfers to the investment portfolio	-	-
4. Other decreases	2.802.207	750.170
Closing balance	182.549.420	109.353.119

6. Shareholdings (asset Items: 70-80)

Table 6.1: shareholdings and investments in group companies

REGISTERED 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 (A)	Comparisons (A-B)
A. Group companies											
Bac Trustee	S.p.a.	Via Tre Settembre, 316 47891 Dogana RSM	Non-financial company	100.000	239.243	158.885	100,00%	211.613	-	239.243	27.630
BAC Life	S.p.a.	Via Tre Settembre, 316 47891 Dogana RSM	Insurance Activities	6.000.000	7.135.254	538.809	100,00%	6.785.630	-	7.135.254	349.624
Bac Real Estate	S.r.L	Via Tre Settembre, 316 47891 Dogana RSM	Real estate trading activities	75.000	261.742	5.442	100,00%	261.742	-	261.742	-
BAC Investiments SG	S.p.a.	Via Tre Settembre, 316 47891 Dogana RSM	Other Financial Institutions	500.000	708.729	1.137.022	100,00%	565.598	-	708.729	143.131
San Marino finanza e previdenza	S.r.l.	Via Tre Settembre, 316 47891 Dogana RSM	Non-financial company	26.000	58.969	27.438	51,00%	27.430	-	30.074	2.644
B. Associated companies											
Società servizi informatici sammarinese S.S.I.S	S.p.a.	Strada Cardio, 22 47899 Serravalle RSM	Automatic data processing services	500.000	553.977	447	50,00%	275.138	-	276.988	1.850
Centro servizi	S.r.l.	Via XXV Marzo, 58 47895 Domagnano RSM	Automatic data processing services	74.886	1.015.598	152.958	33,33%	333.333	-	338.499	5.166
BKN301 Spa	S.p.a.	Via III Settembre, 99 47891 Dogana	Other Financial Institutions	4.528.361	12.526.023	94.819	19,22%	916.931	-	2.407.502	1.490.571
NCO Immobiliare Srl	S.p.a.	Via III Settembre, 99 47891 Dogana	Services	75.000	-38.269	-113.268	50,00%	177.702	-	-19.135	-196.837
S3 - Special Servicer Sammarinese Srl	S.r.l.	Piazza Bertoldi, 8 Serravalle 47899	Other Financial Institutions	25.500	41.691	8.753	33,00%	8.415	-	13.758	5.343
C. Altre Imprese partecipate											
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%	4.059.242	-	2.647.775	-1.411.467
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
I.G.R.C.	S.p.a.	Piazza Bertoldi, 8 Serravalle 47899	Other Financial Institutions	248.000	280.039	-	10,08%	25.000	-	28.229	3.229
Bancomat Spa	S.p.a.	Via Silvio D'Amico, 53 00145 Roma	Other Financial Institutions	36.917.523	105.895.629	3.825.171	-	285	-	847	562
CBI	S.c.p.a Società benefit	Via del Gesù, 62 00186 Roma	Services	920.474	21.011.911	4.848.478	0,06%	-	-	11.615	11.615

It should be noted that the values indicated above relating to all "Other investee companies" are taken from the 2024 financial statements, being the latest available, with the exception of investee company I.G.R.C. Spa.

As set out in the valuation criteria, to which reference should be made for further information, shareholdings held in Group companies were measured using the cost method.

The 2024 dividend distribution policies produced their cash effects in 2025. As Parent Company, the Bank prepares the consolidated financial statements on an annual basis; for further details, reference should be made to that document.

Investee companies

Shareholdings in Associated companies and other investee companies are also recognised at cost and no movements were recorded during the financial year. The Bank holds a shareholding in the Central Bank of the Republic of San Marino Spa equal to 5% of the share capital. The value of the interest recognised in the financial statements reflects the revaluation carried out in 2013.

The ownership percentage in S.S.I.S. Spa (Società Sistemi Informatici Sammarinese) remains at 50% of the share capital, equally held with another San Marino credit institution.

Shareholdings in Agenzia per lo Sviluppo Economico – Camera di Commercio S.p.a., equal to 1.33%, and in BKN Spa (renamed Klirway Spa from March 2026), equal to 19.22%, remain unchanged.

The Bank also holds 33.33% of Centro Servizi Srl, jointly with two other local Banks.

Among the investee companies is also NCO Immobiliare Srl, established in 2022 together with other San Marino banks for the purpose of protecting their respective credit claims towards a common debtor. In 2024, the share capital was restored and the participation increased to 50% through the acquisition of additional shares, jointly with another San Marino Bank.

The Bank also holds interests in companies servicing the System-wide securitisation transaction, with the following shareholdings: 33% in S3 Special Servicer Sammarinese Srl (Special Servicer) and 10.08% in I.G.R.C. Spa (Master Servicer).

With reference to the difference between the amounts recognised in the financial statements and the corresponding share of net equity in the shareholdings in the Central Bank of the Republic of San Marino Spa and NCO Immobiliare Srl, there are currently considered to be no elements requiring the recognition of lasting impairment losses.

The following tables provide information on the aggregate movements relating to the shareholdings held.

Group shareholdings

Set out below are the 2025 financial results and the decisions regarding dividend distributions of the companies belonging to the Group, wholly owned, based on the draft financial statements approved by their respective Administrative Bodies:

- BAC Investments SG Spa, profit for the year of €1,137,022, of which 90% allocated to dividends;
- BAC Life Spa, profit for the year of €538,809, of which 50% allocated to dividends;
- BAC Trustee Spa, profit for the year of €158,885, of which 90% allocated to dividends;
- BAC Real Estate Spa, profit for the year of €5.442, entirely allocated to dividends.

Among the Group shareholdings is San Marino Finanza e Previdenza S.r.l., an

insurance brokerage agency. The company, 51% owned, closed the year with a profit of €27,438, of which 90% allocated to dividends.

The following tables provide information on the aggregate movements relating to the shareholdings held.

The dividend distribution policies will produce their cash effects in 2026.

Table 6.2: breakdown of item 70 "Shareholdings"

ITEMS / VALUES	31/12/2025			31/12/2024		
	Purchase price	Book value	Fair value	Purchase price	Book value	Fair value
In credit institutions	645.571	4.059.241	-	645.571	4.059.242	-
- Listed	-	-	-	-	-	-
- Not listed	645.571	4.059.241	-	645.571	4.059.242	-
In other financial firms	950.631	950.632	-	950.631	950.631	-
- Listed	-	-	-	-	-	-
- Not listed	950.631	950.632	-	950.631	950.631	-
Others	762.065	787.206	-	787.065	787.206	-
- Listed	-	-	-	-	-	-
- Not listed	762.065	787.206	-	787.065	787.206	-
Total	2.358.267	5.797.079	-	2.383.267	5.797.079	-

Table 6.3: breakdown and changes in item 80 "Shareholdings in group companies"

ITEMS / VALUES	31/12/2025			31/12/2024		
	Purchase price	Book value	Fair value	Purchase price	Book value	Fair value
In credit institutions	-	-	-	-	-	-
- Listed	-	-	-	-	-	-
- Not listed	-	-	-	-	-	-
In other financial firms	6.500.000	7.351.228	-	6.500.000	7.351.228	-
- Listed	-	-	-	-	-	-
- Not listed	6.500.000	7.351.228	-	6.500.000	7.351.228	-
Others	188.260	500.785	-	188.260	500.785	-
- Listed	-	-	-	-	-	-
- Not listed	188.260	500.785	-	188.260	500.785	-
Total	6.688.260	7.852.013	-	6.688.260	7.852.013	-

Table 6.4: annual changes in item 70 "Shareholdings"

DESCRIPTION	31/12/2025
A) Opening balance	5.797.079
B) Increases	-
B1. Purchases	-
B2. Value recoveries	-
B3. Revaluations	-
B4. Other increases	26.580
C) Decreases	-
C1. Sales	-
C2. Value adjustments	26.580
<i>of which lasting devaluations</i>	26.580
C3. Other decreases	-
D) Closing balance	5.797.079
E) Total revaluations	3.004.030
F) Total adjustments	26.580

Table 6.5: annual changes in item 80 "Shareholdings in group companies"

DESCRIPTION	31/12/2025
A) Opening balance	7.852.013
B) Increases	-
B1. Purchases	-
B2. Value recoveries	-
B3. Revaluations	-
B4. Other increases	-
C) Decreases	-
C1. Sales	-
C2. Value adjustments	-
<i>of which Lasting devaluations</i>	-
C3. Other decreases	-
D) Closing balance	7.852.013

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

DESCRIPTION	31/12/2025
Assets	69.562.103
- Loans to credit institutions	61.087.854
<i>of which Subordinates</i>	-
<i>of which Associated companies</i>	-
<i>of which Subordinates</i>	-
- Loans to other financial companies	6.752.914
<i>of which: subordinates</i>	-
<i>of which Associated companies</i>	6.557.140
<i>of which Subordinates</i>	-
- Loans to other companies	1.721.335
<i>of which Subordinates</i>	-
<i>of which Associated companies</i>	1.721.335
<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	324.758
- Amounts due to credit institutions	523.627
<i>of which Associated companies</i>	-
- Amounts due to other companies	324.758
<i>of which Associated companies</i>	318.120
- Payables represented by financial instruments	-
<i>of which Associated companies</i>	-
- Subordinate liabilities	-
<i>of which Associated companies</i>	-
Guarantees and commitments	467.161
- Guarantees given	-
- Commitments	467.161

"Loans and advances to credit institutions", amounting to €61,087,854, are represented by relationships maintained with the Central Bank of the Republic of San Marino, including the ROB restricted deposit (Mandatory Reserve) and the Depositors' Guarantee Fund, as well as the Escrow Account established in 2023 as guarantee for payments relating to the senior securities deriving from the securitisation transaction; the item "loans and advances to other financial undertakings, including associated companies", amounting to €6,557,140, represents exposures towards investee companies BKN301 Spa (now Klirway Spa) and S3 Special Servicer Srl. "Loans and advances to other undertakings",

amounting to €1,721,335, include exposures towards SSIS Spa and NCO Immobiliare Srl. Among liabilities are the current account balances opened with BKN301 Spa (now Klirway Spa), SSIS Spa, NCO Immobiliare Srl and Centro Servizi Srl, as associated companies, as well as the current account balance opened with Agenzia per lo Sviluppo Economico - Camera di Commercio - Spa.

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

DESCRIPTION	31/12/2025
Assets	105.663
- Loans to credit institutions	-
<i>of which Subordinates</i>	-
- Loans to other financial companies	-
<i>of which Subordinates</i>	-
- Loans to other companies	105.663
<i>of which Subordinates</i>	-
- Bonds and other debt financial instruments	-
<i>of which Subordinates</i>	-
Liabilities	1.851.105
- Amounts due to credit institutions	-
- Amounts due to other companies	1.851.105
- Payables represented by financial instruments	-
- Subordinate liabilities	-
Guarantees and commitments	-
- Guarantees given	-
- Commitments	-

The item "Due to other companies" consists of the current account balances of the subsidiary companies.

7. Intangible fixed assets (asset item 90)

Table 7.1: description and movements of item 90 "Intangible fixed assets"

ANNUAL CHANGES	31/12/2025	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	2.379.444	317.140	-	-	-	-	-	-	-	2.062.304
B. Increase	264.204	403	-	-	-	-	-	-	-	263.801
B1. Purchases	263.801	-	-	-	-	-	-	-	-	263.801
B2. Value recoveries	318	318	-	-	-	-	-	-	-	-
of which By creditworthiness	318	318	-	-	-	-	-	-	-	-
B3. Revaluations	-	-	-	-	-	-	-	-	-	-
B4. Other increases	85	85	-	-	-	-	-	-	-	-
C. Decreases	343.347	54.769	-	-	-	-	-	-	-	288.578
C1. Sales	-	-	-	-	-	-	-	-	-	-
C2. Value adjustments	343.252	54.674	-	-	-	-	-	-	-	288.578
of which Depreciation and amortization	343.252	54.674	-	-	-	-	-	-	-	288.578
of which Lasting devaluations	-	-	-	-	-	-	-	-	-	-
of which By creditworthiness	-	-	-	-	-	-	-	-	-	-
C3. Other decreases	95	95	-	-	-	-	-	-	-	-
D. Closing balance	2.300.301	262.774	-	-	-	-	-	-	-	2.037.527

Other intangible assets consist of the expenses of: software purchases, leasehold improvements, Studies, Research, Miscellaneous deferred costs, and Concessionary rights. Software is valued at cost, including all analysis, installation and training expenses. In addition, any fully amortized intangible assets are accounted for at zero by deducting both the asset value and the value of the related provision. Amortization rates have been calculated in relation to their remaining useful life.

The bank, in 2009, acquired from the Eccellentissima Camera of the Republic of San Marino the concessionary rights for the construction of an underpass for use by the institution for 30 years; therefore, the expenses incurred for the rights and construction works for its construction were recorded in a special item of intangible fixed assets to be amortized over the duration of the concession.

CONCESSION RIGHTS AND UNDERPASS WORKS	2025	2024
Opening balances at purchase cost	1.254.395	1.254.395
Costs incurred during the financial year	-	-
Closing balances at historical cost	1.254.395	1.254.395
Less accumulated amortisation	-702.933	-661.118
<i>of which Amortisation charge for the year</i>	<i>-41.813</i>	<i>-41.813</i>
Closing balances	551.461	593.277

Table 7.2: breakdown of item 90 "intangible fixed assets"

ITEMS / VALUES	31/12/2025			31/12/2024		
	Purchase price / production cost	Book value	Fair value	Purchase price / production cost	Book value	Fair value
A) Financial leasing	564.524	262.774	-	564.524	317.140	-
<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	-	-	-	-	-	-
F) Other intangible fixed assets	3.430.649	2.037.527	-	3.470.974	2.062.304	-
Total	3.995.173	2.300.301	-	4.035.498	2.379.444	-

8. Tangible fixed assets (asset item 100)

Table 8.1: movements and description of item 90 "Tangible fixed assets"

ANNUAL CHANGES	31/12/2025	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	Lands and buildings	Other intangible fixed assets
A) Opening balance	153.820.083	39.782.351	567.568	987	987	88.851.187	88.851.187	24.603.602	581.956
B) Increase	12.036.635	10.236.916	1.161.142	313	313	1.658.160	1.658.160	7.810	133.436
B1. Purchases	11.219.043	9.504.185	1.161.142	-	-	1.581.422	1.581.422	-	133.436
B2. Value recovery	416.290	415.977	-	313	313	-	-	-	-
of which By creditworthiness	415.977	415.977	-	-	-	-	-	-	-
B3. Revaluations	-	-	-	-	-	-	-	-	-
B4. Other increases	401.302	316.754	-	-	-	76.738	76.738	7.810	-
C) Decreases	19.029.156	16.221.051	948.354	1.300	1.300	1.669.473	1.669.473	946.403	190.929
C1. Sales	9.313.405	7.694.726	141.056	1.300	1.300	1.617.379	1.617.379	-	-
C2. Value adjustments	8.691.857	7.554.525	1.428	-	-	-	-	946.403	190.929
of which Depreciation and amortization	8.690.429	7.553.097	-	-	-	-	-	946.403	190.929
of which Lasting devaluations	-	-	-	-	-	-	-	-	-
of which By creditworthiness	1.428	1.428	1.428	-	-	-	-	-	-
C3. Other decreases	1.023.894	971.800	805.870	-	-	52.094	52.094	-	-
D. Closing balance	146.827.562	33.798.216	780.356	-	-	88.839.874	88.839.874	23.665.009	524.463

Table 8.2: breakdown of item 100 "Tangible fixed assets"

ITEMS / VALUES	31/12/2025			31/12/2024		
	Purchase price / production cost	Book value	Fair value	Purchase price / production cost	Book value	Fair value
A) Financial leasing	89.574.221	33.798.216	-	108.237.403	39.782.351	-
of which Assets under construction	3.334.668	780.356	-	2.314.583	567.568	-
B) Assets awaiting lease termination	-	-	-	-	987	-
of which Due to default by the tenant	-	-	-	-	987	-
C) Assets available from debt collection	-	88.839.874	-	-	88.851.187	-
of which Assets available for credit extinction by means of a settlement agreement	-	88.839.874	-	-	88.851.187	-
D) Lands and Buildings	42.143.193	23.665.009	-	42.135.383	24.603.602	-
E) Other tangible fixed assets	1.212.860	524.463	-	1.248.368	581.956	-
Total	132.930.274	146.827.562	-	151.621.154	153.820.083	-

"Item B. Assets awaiting lease termination" includes fixed assets returned to full possession of the Bank as a result of termination due to default of the lessees of lease contracts. These amounts are also included in the table detailing loans

to customers, as required by the regulations on the preparation of financial statements (CBSM Regulation 2016/02).

Item C. "Assets available from credit recovery" refers to real estate properties acquired over the years following settlement agreements and write-offs of credit positions related to defaulting customers classified under non-performing leasing. These assets are not instrumental to the company's operations and are therefore not subject to depreciation. To optimize the management of these assets, the Bank has established a dedicated unit within the organizational structure, named the Real Estate Function, which handles their maintenance, sale, or re-leasing.

Item E. "Other tangible fixed assets" includes: furniture, safes and systems, electronic equipment, and vehicles. As with intangible fixed assets, any fully depreciated tangible fixed assets are written off in the accounts by eliminating both the asset value and the corresponding depreciation fund.

Table 8.3: assets acquired from credit recovery

ITEMS / VALUES	31/12/2025		31/12/2024	
	Book value	Fair value	Book value	Fair value
A) Assets acquired from credit recovery deriving from financial leasing contracts	78.108.791	-	78.244.408	-
A1. Real estate	78.108.791	-	78.244.408	-
<i>of which For residential use</i>	12.214.404	-	12.945.160	-
<i>of which For non-residential use</i>	65.894.387	-	65.299.248	-
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	10.731.083	-	10.606.779	-
B1. Real estate	10.731.083	-	10.606.779	-
<i>of which For residential use</i>	4.343.574	-	4.256.103	-
<i>of which For non-residential use</i>	6.387.509	-	6.350.676	-
B2. Movable property	-	-	-	-
<i>of which Vehicles</i>	-	-	-	-
<i>of which Naval aircraft</i>	-	-	-	-
<i>of which Other</i>	-	-	-	-
Total	88.839.874	-	88.851.187	-

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

CATEGORIES/ VALUES	Total 31/12/2025	of which leasing to credit institutions	of which leasing to customers
Leasing - Total	36.242.640	-	36.242.640
A) Of which for overdue fees	2.181.650	-	2.181.650
B) Of which residual principal credit	34.060.990	-	34.060.990
B1. Intangible fixed assets	-	-	-
- Financial leasing	262.774	-	262.774
- Assets awaiting lease termination	-	-	-
B2. Tangible fixed assets	-	-	-
- Financial leasing	33.798.216	-	33.798.216
- Assets awaiting lease termination	-	-	-

9. Subscribed and unpaid capital (asset item 110)

Table 9.1: breakdown of item 110 "Subscribed and unpaid capital"

Data not present.

10. Transactions on own shares (asset item 120)

Table 10.1: breakdown of company shares

DESCRIPTION	Number of shares	% On capital	Nominal value	Trading amount
Values as of 31/12/2024	553	0,07%	14.378	14.378
Purchases	-	-	-	-
Sales	-	-	-	-
Values as of 31/12/2025	553	0,07%	14.378	14.378
				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.

11. Other assets (asset item 130)

Table 11.1: breakdown of item 130 "Other assets"

OTHER ASSETS	31/12/2025	31/12/2024
Guarantee margins	-	-
Premiums paid for options	-	-
Other	116.044.040	113.943.789
of which Miscellaneous Debtors:	116.044.040	113.943.789
<i>Advances to be Settled</i>	5.351.981	4.729.875
<i>Other miscellaneous items (Security deposits and other receivables)</i>	3.375.981	3.519.311
<i>Customers for invoices issued</i>	454.055	276.422
<i>Accounting Items Related to Taxation</i>	8.386.098	9.468.291
- <i>Tax Credit L 227/2020</i>	7.512.529	8.188.964
- <i>Deferred tax assets ex lege 154/2019 art.11</i>	738.569	1.144.327
- <i>Other related accounting items</i>	135.000	135.000
<i>Douments on collection</i>	83.216.057	75.919.751
<i>Amounts to be received from other customers</i>	1.514.583	1.703.092
<i>Amounts to be received from Banks</i>	-	-
<i>Suspension for value adjustments Law 173/2018 art.40</i>	13.745.285	18.327.047
Of which Other	-	-
Total	116.044.040	113.943.789

The item "Other Assets" includes all assets not attributable to other asset items. It also includes any outstanding transit and suspense items not allocated to the relevant accounts.

The item "Suspension of value adjustments pursuant to Article 40 Law 173/2018", amounting to €13,745,285, represents the AQR impairment losses still suspended under the relevant law, for 3/10 of the initial amount.

The item "Tax credit pursuant to Law 227/2020", amounting to €7,512,529, corresponds to the tax credit recognised by the Tax Office, net of utilisations, pursuant to Law no. 227/2020, which established the maximum amount of tax benefits deriving from the valuations at NAV as at 31/12/2020 of the Loan Management Fund and the Odisseo Fund.

The item "Deferred tax assets pursuant to Law 154/2019 art. 11" includes the residual deferred tax assets calculated on tax losses fully and indefinitely carried forward through the step-up mechanism progressively applied by the Bank.

12. Accrued income and prepaid expenses (asset item 140)

Table 12.1: breakdown of item 140 "Accrued income and prepaid expenses"

DESCRIPTION	31/12/2025	31/12/2024
A) Accrued income	298.023	169.303
- On loans and advances to customers	-	-
- Others	14.162	-
- On rental income	258.861	144.303
- On lease payments	25.000	25.000
B) Prepaid expenses	397.215	445.747
- On rent payable	20.971	20.971
- On administrative expenses	138.330	138.672
- On securitization charges	237.914	286.104
Total	695.238	615.050

The relevant accrued income and prepaid expenses are offset against assets and liabilities in compliance with the provisions of CBSM Regulation no. 2016/02, art. IV.I.14. The item includes residual amounts not attributable to specific asset and liability items. Prepaid expenses include BAC's share of the up-front costs incurred for the structuring of the securitisation transaction, amounting to €237,914.

Information on the Statement of Assets and Liabilities - Liabilities

13. Due to credit institutions (liability item 10)

Table 13.1: detail of item 10 "Amounts due to credit institutions"

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight	982.129	-	982.129	1.355.455	-	1.355.455	-373.326	-27,54%
A1. Reciprocal accounts opened for services rendered	982.129	-	982.129	1.355.455	-	1.355.455	-373.326	-27,54%
A2. Free deposits	-	-	-	-	-	-	-	-
A3. Others	-	-	-	-	-	-	-	-
B) At term or with notice	340.119	-	340.119	698.139	-	698.139	-358.020	-51,28%
B1. Passive current accounts	-	-	-	-	-	-	-	-
B2. Term deposits	340.119	-	340.119	698.139	-	698.139	-358.020	-51,28%
B3. Repurchasing agreements and passive carry-overs	-	-	-	-	-	-	-	-
B4. Other financing	-	-	-	-	-	-	-	-
Total	1.322.248	-	1.322.248	2.053.594	-	2.053.594	-731.346	-35,61%

Time deposits include amounts set up by a Credit Institution to guarantee mutual contractual obligations undertaken (mirrored in Item 30 of Assets are deposits set up by Bac with the same Credit Institution in the same amount).

14. Due to customers (liability item 20)

Table 14.1: details of item 20 "Due to customers"

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight	465.855.590	10.546.912	476.402.502	441.569.703	5.703.768	447.273.471	29.129.031	6,51%
A1. Passive current accounts	464.633.409	10.546.912	475.180.321	440.195.523	5.703.768	445.899.291	29.281.030	6,57%
A2. Savings deposits	1.058.219	-	1.058.219	1.238.497	-	1.238.497	-180.278	-14,56%
A3. Others	163.962	-	163.962	135.683	-	135.683	28.279	20,84%
B) Term or with notice	83.748.134	-	83.748.134	85.616.565	-	85.616.565	-1.868.431	-2,18%
B1. Term passive current accounts	-	-	-	-	-	-	-	-
B2. Restricted savings deposits	-	-	-	-	-	-	-	-
B3. Repurchase agreements and passive carry-overs	21.199.199	-	21.199.199	31.568.674	-	31.568.674	-10.369.475	-32,85%
B4. Other funds	62.548.935	-	62.548.935	54.047.891	-	54.047.891	8.501.044	15,73%
Total	549.603.724	10.546.912	560.150.636	527.186.268	5.703.768	532.890.036	27.260.600	5,12%

This table provides details of item 20 of liabilities. In reclassifying amounts due to customers, internal cheques were excluded and recognised under "Other liabilities" for €725,797 (€1,024,173 as at 31/12/2024).

The composition reflects the different investment choices made by customers.

Table 14.2: liabilities for electronic money

DESCRIPTION	31/12/2025	31/12/2024
For named instruments	163.962	135.698
<i>of which Rechargeable</i>	163.962	135.698
<i>of which Non-refillable</i>	-	-
For anonymous instruments	-	-

The table shows the total amount of top-ups made by customers on prepaid cards that can be used as a means of payment.

15. Amounts represented by financial instruments (liability item 30)

Table 15.1: breakdown of amounts represented by financial instruments

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
Bonds	-	-	-	-	-	-	-	-
<i>of which Held by credit institutions</i>	-	-	-	-	-	-	-	-
Certificates of deposit	180.688.865	-	180.688.865	166.875.803	-	166.875.803	13.813.062	8,28%
<i>of which Held by credit institutions</i>	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-
<i>of which Negotiated acceptances</i>	-	-	-	-	-	-	-	-
<i>of which Outstanding bills</i>	-	-	-	-	-	-	-	-
<i>of which Atypical securities</i>	-	-	-	-	-	-	-	-
Total	180.688.865	-	180.688.865	166.875.803	-	166.875.803	13.813.062	8,28%

The Bank has not issued bonds or other financial instruments other than certificates of deposit.

16. Other liabilities (liability item: 40)

Table 16.1: breakdown of item 40 "Other liabilities"

OTHER LIABILITIES	31/12/2025	31/12/2024
Guarantee margins	-	-
Awards received for options	-	-
Cheques in circulation and similar securities	725.797	1.024.173
Others	98.849.674	84.984.333
<i>Other residual items</i>	<i>174.142</i>	<i>169.893</i>
<i>Receivables for collection</i>	<i>93.475.977</i>	<i>78.451.447</i>
<i>Commitments to suppliers and invoices to be received</i>	<i>1.700.207</i>	<i>2.381.828</i>
<i>Amounts to be paid to the tax authorities</i>	<i>601.956</i>	<i>727.036</i>
<i>Amounts to be settled with banks</i>	<i>226.282</i>	<i>216.047</i>
<i>Amounts to be paid to third parties</i>	<i>2.671.109</i>	<i>3.038.082</i>
Total	99.575.471	86.008.506

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.

17. Accrued expenses and deferred income (liabilities item 50)

Table 17.1: breakdown of item 50 "Accrued expenses and deferred income"

DESCRIPTION	31/12/2025	31/12/2024
A) Accrued liabilities	-	-
A1. Accrued liabilities on derivative contracts	-	-
B) Deferred income	232.480	362.506
B1. Deferred income from foreign portfolio	5.392	4.046
B2. Deferred commission income unsecured loans	42.117	53.750
B3. Other deferred income	118.075	75.698
B4. Deferred income on rental income	66.896	229.012
Total	232.480	362.506

Pursuant to Article IV.I.13 of CBSM Regulation 2016/02 on the preparation of financial statements which requires the assets and liabilities of banks to be adjusted directly with the evidence of accrued income and expenses, item 50 includes residual amounts not attributable to specific asset and liability items.

18. Provisions (liability items 60 - 70 - 80)

Table 18.1: movements of item 60 "Severance"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	523.492	533.015
Increases:	532.818	534.057
- Provisions	532.818	534.057
- Other increases	-	-
Decreases:	547.179	543.580
- Uses	547.179	543.580
- Other decreases	-	-
Closing balance	509.132	523.492

Severance, as required by current regulations, is paid annually to employees. Therefore, the balance corresponds to the portion for the year 2025.

Table 18.2: breakdown of item 70 "Provisions for risks and charges"

COMPOSITION	31/12/2025	31/12/2024
Pension funds and similar obligations	-	-
Taxes and fees fund	1.107.000	483.803
Other funds	987.625	906.636
- Claims and revocation fund	621.621	494.121
- Provision for charges to be settled	343.049	397.560
- Charity fund	22.555	14.955
- Provision for adjustments for guarantees and commitments	400	-
Total	2.094.625	1.390.439

For the year under review, the Taxes Provision was increased to cover tax charges for the period.

While there are no disputes pending with the San Marino tax authorities, the instalment payments to the Italian Revenue Agency relating to a previous tax assessment on interest income received from mortgages and current accounts held by individuals resident in Italy were completed in January 2025; these amounts were recognised in the profit and loss account under indirect taxes.

The movement in the litigation and claims provision, intended to cover potential risks arising from legal disputes, reflects the utilisations and provisions made during the year.

Finally, as resolved by the Shareholders' Meeting held on 23/05/2025, the provision allocated to charitable activities was increased by €10,000; the closing balance reflects the donations made during the year.

Table 18.3: movement of the "Tax reserves and duties"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	483.803	13.803
Increases:	1.107.000	470.000
- Provisions	1.107.000	470.000
- Other increases	-	-
Decreases:	483.803	-
- Uses	483.803	-
- Other decreases	-	-
Closing balance	1.107.000	483.803

The Taxes Provision was increased following the provision for income tax as at 31/12/2025. This amount was recognised under the specific item "Income taxes for the year" in the profit and loss account.

Table 18.4: movements of sub-item c) "Other Provisions"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	906.636	1.296.508
Increases:	197.510	340.107
- Provisions	197.510	340.107
- Other increases	-	-
Decreases:	116.521	729.979
- Uses	116.521	575.597
- Other decreases	-	154.382
Closing balance	987.625	906.636

Table 18.5: movements of item 80 "Provisions for risks on credits"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	600.000	600.000
Increases:	-	-
- Provisions	-	-
- Other increases	-	-
Decreases:	-	-
- Uses	-	-
- Other decreases	-	-
Closing balance	600.000	600.000

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.

19. Provision for General financial risks, Subordinated liabilities, subscribed capital, share premium, Reserves, Revaluation reserve, retained earnings (losses) carried forward and Profit (loss) for the year (liability items: 90 - 100 - 110 - 120 - 130 - 140 - 150 - 160)

Table 19.1: breakdown of item 90 "Provisions for general financial risks"

ITEMS / VALUES	31/12/2025	31/12/2024
Opening balances	1.423.222	1.423.222
Contributions during the year	276.778	-
Disbursements during the year	-	-
Closing balances	1.700.000	1.423.222

As a precautionary measure, the General Financial Risks Fund was increased during the year up to €1,700,000, as a safeguard against potential future risks. The fund represents a positive component of Core Regulatory Capital.

Table 19.2: breakdown of item 100 "Subordinate liabilities"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Subordinated liabilities	-	2.400.988	-2.400.988	-100%
of which Held by credit institutions	-	-	-	-
of which Hybrid capitalization instruments	-	-	-	-

With effect from 01/12/2020, BAC issued a subordinated loan with a five-year maturity and a nominal interest rate of 3%, subscribed for a nominal amount of €2,395,000 and fully repaid in December 2025.

Table 19.3: breakdown of item 110 "Subscribed capital"

TYPE OF SHARES	31/12/2025			31/12/2024			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 19.4: breakdown of item 120 "Share premium reserves"

Data not present.

Table 19.5: breakdown of item 130 "Reserves"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
a) Ordinary or legal reserve	49.069.046	50.046.289	-977.243	-1,95%
of which Reserve in tax suspension	1.227.968	1.227.968	-	-
b) Reserve for own shares	14.378	14.378	-	-
c) Statutory reserves	-	-	-	-
d) Other reserves	7.090.602	3.467.150	3.623.452	51,10%
Total	56.174.026	53.527.817	2.646.209	4,94%

Included within the "ordinary reserve" is the "tax suspension reserve" established following the reverse merger by incorporation of Istituto Bancario Sammarinese carried out in 2012. The change in the ordinary reserve is attributable, in

increase, to the capitalisation of 20% of the 2024 profit for the year, amounting to €1,010,758, and, in decrease, to the reallocation to the extraordinary reserve of the portion exceeding the statutory allocation of 20% relating to the 2023 profit for the year, amounting to €1,988,000.

The other reserves, including the extraordinary reserve, increased by €3,623,452 as a result of the residual portion of the 2024 profit not distributed to shareholders and the above-mentioned reclassification.

Table 19.6: breakdown of item 140 "Revaluation reserves"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Revaluation reserve	18.184.127	18.184.127	-	-

The reserve under discussion consists of the revaluations carried out from time to time on owner-occupied properties, as well as on the shareholding in CBSM, pursuant to specific regulatory provisions. Due to the restrictions connected with its use, the reserve contributes to strengthening the Bank's capital base.

Table 19.7: breakdown of item 150 "Retained earnings (losses)"

Data not present.

Table 19.8: breakdown of item 160 "Net income (loss) for the period"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Profit (loss) for the year	5.232.381	5.053.790	178.591	3,53%
Total	5.232.381	5.053.790	178.591	3,53%

	31/12/2025	31/12/2024
Profit (loss) for the year / Total Assets ratio	0,55%	0,57%

With reference to the proposed allocation of the profit for the year, please refer to the relevant section of the Board of Directors' Report on Operations.

Table 19.9: changes in the net equity over the last 4 years

DESCRIPTION	Sibscribed 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 31/12/2022	20.880.080	-	-	46.726.154	140.990	1.051.178	-	-	18.116.756	86.915.158
Balance as of 31/12/2023	20.880.080	-	-	46.936.389	981.932	5.609.496	-	1.423.222	18.184.127	94.015.246
Balance as of 31/12/2024	20.880.080	-	-	50.046.289	3.481.528	5.053.790	-	1.423.222	18.184.127	99.069.036
Balance as of 31/12/2025	20.880.080	-	-	49.069.046	7.104.980	5.232.381	-	1.700.000	18.184.127	102.170.614

Table 19.10: statement of changes in shareholders' equity

DESCRIPTION	Initial existences	Allocation previous result			Changes during the year			Net Equity 31/12/2025
		Reserves	Dividends and other allocations	Changes in reserves	Issuance of new shares	Changes in equity interests	Other changes	
Subscribed and paid-up capital	20.880.080	-	-	-	-	-	-	20.880.080
- Ordinary shares	20.880.080	-	-	-	-	-	-	20.880.080
- Other shares	-	-	-	-	-	-	-	-
Additional paid-in capital	-	-	-	-	-	-	-	-
Reserves	53.527.817	2.646.209	-	-	-	-	-	56.174.026
- Ordinary or legal	50.046.289	1.010.758	-	-1.988.001	-	-	-	49.069.046
- Other	3.481.528	1.635.451	-	1.988.001	-	-	-	7.104.980
Profit (loss) for the year	5.053.790	-2.646.209	-2.407.581	-	-	-	-	5.232.381
Reserve for general financial risks	1.423.222	-	-	-	-	-	276.778	1.700.000
Revaluation reserve	18.184.127	-	-	-	-	-	-	18.184.127
Net equity	99.069.036	-	-	-	-	-	-	102.170.614

Table 19.11: breakdown of deposits by economic sector

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Public administrations	99.623.136	98.870.307	752.829	0,76%
B) Financial companies other than credit institutions	29.422.349	32.913.845	-3.491.496	-10,61%
- Monetary financial institutions (excluding credit institutions)	-	-	-	-
- Investment funds other than money market funds	6.137.039	5.585.785	551.254	9,87%
- Other financial institutions	4.092.928	5.310.789	-1.217.861	-22,93%
- Insurance companies	19.192.382	22.017.271	-2.824.889	-12,83%
- Pension funds	-	-	-	-
C) Non-financial companies	181.717.697	155.237.402	26.480.295	17,06%
<i>of which Subjects deleted from the register of authorized subjects</i>	<i>200.990</i>	<i>204.289</i>	<i>-3.299</i>	<i>-1,61%</i>
- Industry	81.620.861	63.996.431	17.624.430	27,54%
- Construction	3.305.786	3.743.331	-437.545	-11,69%
- Services	93.162.455	86.564.102	6.598.353	7,62%
- Other non-financial companies	3.628.595	933.538	2.695.057	288,69%
D) Families and non-profit institutions serving families	426.907.857	413.303.191	13.604.666	3,29%
- Consumer and producer families	420.201.485	404.839.521	15.361.964	3,79%
- Non-profit institutions serving families	6.706.372	8.463.670	-1.757.298	-20,76%
E) Others	3.894.259	2.866.255	1.028.004	35,87%
Total	741.565.298	703.191.000	38.374.298	5,46%

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

20. Guarantees and commitments

Table 20.1: breakdown of "Guarantees given"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Unsecured loans of a commercial nature	10.228.063	7.904.676	2.323.387	29,39%
B) Unsecured loans of a financial nature	552.500	603.900	-51.400	-8,51%
C) Assets pledged as collateral	6.475.944	6.932.175	-456.231	-6,58%
- of third party bonds	225.825	324.036	-98.211	-30,31%
- of own bonds	6.250.119	6.608.139	-358.020	-5,42%
Total	17.256.507	15.440.751	1.815.756	11,76%

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 20.2: breakdown of unsecured loans

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Unsecured loans of a commercial nature	10.228.063	7.904.676	2.323.387	29,39%
A1. Acceptances	-	-	-	-
A2. Guarantees and endorsements	10.228.063	7.904.676	2.323.387	29,39%
A3. Strong patronage	-	-	-	-
A4. Others	-	-	-	-
B) Unsecured loans of a financial nature	552.500	603.900	-51.400	-8,51%
B1. Acceptances	-	-	-	-
B2. Guarantees and endorsements	552.500	603.900	-51.400	-8,51%
B3. Strong patronage	-	-	-	-
B4. Other	-	-	-	-
Total	10.780.563	8.508.576	2.271.987	26,70%

Table 20.3: situation of unsecured loans to credit institutions

Data not present.

Table 20.4: situation of unsecured loans to customers

CATEGORIES / VALUES	31/12/2025			31/12/2024		
	Gross exposure	Total value adjustments	Net exposure	Gross exposure	Total value adjustments	Net exposure
A) Doubtful loans	500	400	100	30.500	-	30.500
<i>of which Non-performing loans</i>	-	-	-	-	-	-
<i>of which Probable defaults</i>	500	400	100	500	-	500
<i>of which Past due/overdue loans</i>	-	-	-	-	-	-
B) Performing loans	10.780.063	-	10.780.063	8.478.076	-	8.478.076
Total	10.780.563	400	10.780.163	8.508.576	-	8.508.576

Table 20.5: assets used as collaterals to own debts

Data not present.

Table 20.6: margins available on credit lines

Data not present.

Table 20.7: breakdown of "Spot commitments"

DESCRIPTION	31/12/2025	31/12/2024	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	1.361.981	1.023.725	338.256	33,04%
<i>of which Passive margins usable on credit lines</i>	1.361.981	1.023.725	338.256	33,04%
<i>of which Put options issued</i>	-	-	-	-
D) Commitments to exchange financial instruments of uncertain use	-	-	-	-
E) Other commitments	516.172	516.172	-	-
Total	1.878.153	1.539.897	338.256	21,97%

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" is recognised the commitment relating to contributions to the Depositors' Guarantee Fund pertaining to the years 2022 to 2025, amounting to €516,172.

Table 20.8: term commitments

CATEGORY OF TRANSACTIONS	Hedging	Trading	Other transactions
1) Trading	9.295.546	-	999.117
1.1 Financial instruments	-	-	999.117
- Purchases	-	-	999.117
- Sales	-	-	-
1.2 Foreign currencies	9.295.546	-	-
- Foreign currencies against foreign currencies	-	-	-
- Purchases against Euro	9.295.546	-	-
- 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.

Under item 1.1 "financial instruments - purchases", among other items, the commitment relating to the subscription of the final tranches of the Green Arrow Private Debt Fund is disclosed for €481,617, repayable from 01/09/2027; under item 1.2 "foreign currency purchases against euro", the countervalue of foreign exchange transactions with customers pending settlement, conventionally due within two days, is disclosed.

Table 20.9: financial derivatives

Data not present.

Table 20.10: derivative contracts on loans

Data not present.

Information on the Statement of Assets and Liabilities - Memorandum Accounts

Table 21.1: memorandum accounts

ITEMS	31/12/2025	31/12/2024
1) Asset management	756.627	832.006
a) Customer asset management	756.627	832.006
<i>of which Liquidity</i>	136.721	101.060
<i>of which Liquidity deposited with the reporting institution</i>	136.721	101.060
<i>of which Debt securities</i>	-	-
<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>	619.906	730.946
<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	1.091.264.574	939.199.739
a) Third party financial instruments on deposit	769.907.139	687.139.902
<i>of which Debt securities issued by the reporting entity</i>	-	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>	89.757.394	86.158.068
<i>of which Securities third-party financial instruments deposited with third parties</i>	520.982.786	472.230.459
b) Proprietary financial instruments deposited with third parties	321.357.435	252.059.837
3) Financial instruments, liquidity and other values related to the activity of depository bank	171.741.705	131.727.382
a) Liquidity	6.137.039	5.585.784
<i>of which Liquidity deposited with the reporting institution</i>	6.137.039	5.585.784
b) Debt securities	33.682.597	-
<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	131.922.069	102.067.370
<i>of which Equity securities issued by the reporting entity</i>	-	-
d) Other assets other than financial instruments and liquidity	-	-

In memorandum accounts, financial instruments are allocated to the relevant items, which are mutually exclusive, on the basis of the agreements entered into with customers, respectively relating to portfolio management, custody and

administration, and depository bank agreements.

The above-mentioned financial instruments are recognised in memorandum accounts at market value. It should be noted that Subsidiary BAC Investments SG Spa distributes and sells proprietary Funds through the commercial network of Parent Company BAC, which also acts as custodian bank, for an amount of €171,741,705, as disclosed in the section "Financial instruments, liquidity and other assets related to custodian bank activities". The data indicated in the above-mentioned section represent a subset included within the aggregate "Custody and administration of securities".

Table 21.2: intermediation for outsourcers: execution of memorandums

ITEMS	31/12/2025	31/12/2024
Purchases	352.591.446	267.247.582
of which purchases not settled as of the reporting date	-	-
Sales	188.600.834	95.479.566
of which sales not settled as of the reporting date	-	-

Table 21.3: breakdown of Indirect deposits by business sector

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Public administrations	56.625.241	46.339.597	10.285.644	22,20%
B) Financial companies	410.776.846	372.429.594	38.347.252	10,30%
- Monetary financial institutions	-	-	-	-
- Investment funds other than money market funds	165.604.666	126.141.599	39.463.067	31,28%
- Other financial institutions	18.212.223	27.324.407	-9.112.184	-33,35%
- Insurance companies	226.959.957	218.963.588	7.996.369	3,65%
- Pension funds	-	-	-	-
C) Non-financial companies	114.517.129	92.347.821	22.169.308	24,01%
of which Subjects deleted from the register of authorized subjects	-	-	-	-
- Industry	8.621.377	6.661.414	1.959.963	29,42%
- Construction	1.912.489	1.836.826	75.663	4,12%
- Services	37.211.955	19.171.947	18.040.008	94,10%
Other non-financial companies	66.771.308	64.677.634	2.093.674	3,24%
D) Families and non-profit institutions serving families	354.010.092	299.921.755	54.088.337	18,03%
- Consumer and manufacturer families	346.881.374	294.030.457	52.850.917	17,97%
- Non-profit institutions serving families	7.128.718	5.891.298	1.237.420	21,00%
E) Others	202.403	578.679	-376.276	-65,02%
Total	936.131.711	811.617.446	124.514.265	15,34%

Table 21.4: trust activity

DESCRIPTION	31/12/2025	31/12/2024
1. Movable assets	15.204.463	15.227.594
1.1 Financial instruments	13.314.598	12.717.294
1.2 Cash	1.889.865	2.510.300
2. Shareholdings	4.321.047	9.560.684
2.1 Units or shares in joint-stock companies	3.499.415	7.566.663
2.2 Shareholder financing	788.445	1.936.584
2.3 Cash	33.187	57.437
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	22.004.217	27.266.985
5.1 <i>Of which total cash</i>	1.923.052	2.567.737

Table 21.5: assets held in the exercise of trustee function

Data not present.

PART C - Information on the Profit and Loss Account

22. Interests (Profit and loss account item 10 - 20)

Table 22.1: breakdown of item 10 "Interest income and similar revenues"

DESCRIPTION	31/12/2025	31/12/2024	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	1.769.962	3.961.089	-2.191.127	-55,32%
B1. Active current accounts	1.769.962	3.931.503	-2.161.541	-54,98%
B2. Deposits	-	29.586	-29.586	-100,00%
B3. Other financing	-	-	-	-
<i>of which On leasing transactions</i>	-	-	-	-
C) Loans to customers	11.021.319	14.051.167	-3.029.848	-21,56%
C1. Active current accounts	2.605.613	2.928.518	-322.905	-11,03%
C2. Deposits	-	-	-	-
C3. Other financing	8.415.706	11.122.649	-2.706.943	-24,34%
<i>of which On leasing transactions</i>	964.170	2.510.156	-1.545.986	-61,59%
D) On debt securities issued by credit institutions	391.169	1.513.776	-1.122.607	-74,16%
D1. Certificates of deposit	-	-	-	-
D2. Bonds	391.169	1.513.776	-1.122.607	-74,16%
D3. Other financial instruments	-	-	-	-
E) On debt securities from customers (issued by other issuers)	8.344.766	5.463.246	2.881.520	52,74%
E1. Bonds	8.344.766	5.346.591	2.998.175	56,08%
E2. Other financial instruments	-	116.655	-116.655	-100,00%
Total	21.527.216	24.989.278	-3.462.062	-13,85%

This item includes, on an accrual basis, interest income, related income and expenses relating to loans and advances and financial instruments, including the balance between default interest accrued during the financial year and the corresponding impairment adjustment for the portion considered unrecoverable. Compared with the previous period, total interest income decreased by 13.85%, mainly attributable to market interest rate trends, which resulted in a reduction in interest income from loans and advances to customers, despite the increase in outstanding balances, but with lower average volumes, as well as lower

interbank returns. This trend was partially offset by a significant increase in interest income from bonds, resulting from the reallocation of proprietary securities portfolio investments towards higher-yield instruments, together with higher invested volumes.

Table 22.2: breakdown of item 20 "Interest expense and similar charges"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) On amounts due to credit institutions	3.660	3.930	-270	-6,87%
A1. Passive current accounts	3.660	3.930	-270	-6,87%
A2. Deposits	-	-	-	-
A3. Other debts	-	-	-	-
B) On amounts due to customers	3.198.194	4.937.586	-1.739.392	-35,23%
B1. Passive current accounts	918.130	1.077.170	-159.040	-14,76%
B2. Deposits	1.535.031	1.797.898	-262.867	-14,62%
B3. Other debts	745.033	2.062.518	-1.317.485	-63,88%
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	3.388.620	5.016.457	-1.627.837	-32,45%
of which On certificates of deposit	3.388.620	5.016.457	-1.627.837	-32,45%
E) On subordinated liabilities	65.863	71.916	-6.053	-8,42%
of which On hybrid instruments of capitalization	-	-	-	-
Total	6.656.337	10.029.889	-3.373.552	-33,63%

The decrease in interest income was accompanied by a significant reduction in interest expense, directly linked to interest rate trends in the money market and to the constant attention paid to this cost component.

23. Commission income (profit and loss account item 30)

Table 23.1: breakdown of item 40 "Dividends and other revenues"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) On shares, stocks and other capital instruments	49.154	106.965	-57.811	-54,05%
B) On shareholdings	-	-	-	-
C) On shareholdings in group companies	394.672	719.862	-325.190	-45,17%
Total	443.826	826.827	-383.001	-46,32%

In accordance with international and Italian accounting standards (OIC 21), and following the cash basis principle, this item includes income credited on listed equity securities purchased within the trading securities portfolio, as well as 2024 dividends recognised by Subsidiaries.

24. Commissions (profit and loss account item 40 - 50)

Table 24.1: breakdown of item 50 "Commission expense"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Guarantees Given	157.595	110.913	46.682	42,09%
B) Credit Derivatives	-	-	-	-
C) Investment Services	931.416	658.011	273.405	41,55%
C1. Reception and transmission of orders (lett.D1 all. 1 lsf)	931.226	655.794	275.432	42,00%
C2. Execution of orders (lett.D2 all. 1 lsf)	-	-	-	-
C3. Management of portfolios of financial instruments (lett.D4 all. 1 lsf)	190	2.217	-2.027	-91,43%
C4. Placement of financial instruments (lett.D5 and d6 all.1 lsf)	-	-	-	-
D) Advisory activities of financial instruments	-	-	-	-
E) Distribution of third-party services and products other than placement	1.399.586	1.323.479	76.107	5,75%
E1. Asset management	-	-	-	-
E2. Insurance products	518.434	607.662	-89.228	-14,68%
E3. Other services and products	881.152	715.817	165.335	23,10%
F) Collection and payment services	809.794	742.233	67.561	9,10%
G) Custodian banking services	303.444	237.537	65.907	27,75%
H) Custody and administration of financial instruments	355.901	334.255	21.646	6,48%
I) Fiduciary services	107.109	126.211	-19.102	-15,13%
L) Operation of tax collection and receipt offices	-	-	-	-
M) Currency trading	258.119	216.713	41.406	19,11%
N) Commissions for collective management services (lett. E and f all. 1 Lsf)	-	-	-	-
O) Electronic money	-	-	-	-
P) Credit/debit card issuing/management	1.944.891	1.801.468	143.423	7,96%
Q) Servicer activities	-	-	-	-
R) Other services:	1.943.486	1.836.938	106.548	5,80%
Total	8.211.341	7.387.758	823.583	11,15%

Compared with the previous year, fee and commission income increased by 11.15%, confirming customers' appreciation of the services offered by the Bank. Particularly positive performances were achieved in fees from the receipt and transmission of securities orders (+42%), guarantee issuance services

(+42.09%), custodian bank services (+27.75%) and foreign exchange trading activities (+19.11%).

Table 24.2: breakdown of item 50 "Commission expense"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Guarantees given	-	-	-	-
B) Credit derivatives	-	-	-	-
C) Investment services	491.652	400.236	91.416	22,84%
C1. Reception and transmission of orders (letter d1 annex 1 lisf)	296.181	286.660	9.521	3,32%
C2. Execution of orders (letter d2)	160.419	80.596	79.823	99,04%
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)	35.052	32.980	2.072	6,28%
D) Off-site offer of financial instruments, products and services	-	-	-	-
E) Collection and payment services	184.649	184.151	498	0,27%
F) Commissions to distributors	-	-	-	-
G) E-money	-	-	-	-
H) Issue / management of credit cards / debit cards	1.587.401	1.434.302	153.099	10,67%
I) Other services	63.481	69.924	-6.443	-9,21%
Total	2.327.183	2.088.613	238.570	11,42%

Alongside the increase in fee and commission income, fee and commission expense also increased, although the net balance remains positive. The largest increases relate to investment services, which rose by 22.84%, followed by credit and debit card services (+10.67%).

Table 24.3: general expenses: information on commission income and expenses

Data not present.

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

Table 25.1: breakdown of item 60 "Profits (losses) on financial transactions"

ITEMS / TRANSACTIONS	31/12/2025			
	Transactions on financial instruments	Transactions on currencies	Transactions on metals and precious metals	Other transactions
A1. Revaluations	1.541.308	-	-	-
A2. Write-downs	3.019.193	-	-	-
B. Other profits / Losses	1.544.331	414.015	-	-
Total	66.446	414.015	-	-
General total				480.461
1. Government bonds	1.030.279			
2. Other financial debt instruments	-2.439.874			
3. Equity financial instruments	1.476.041			
4. Derivative contracts on financial instruments	-			
Total	66.446			

Item 60 includes the net result of trading in financial assets and foreign currencies on behalf of customers, as well as the management activity relating to the Bank's proprietary trading securities portfolio. The result of financial management shows a decrease compared with the previous year, which recorded a positive balance of €534,198, attributable to market dynamics affecting the fair value of financial instruments.

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

Table 26.1: breakdown of item 70 - 80 "Other operating income", "Other operating charges"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Other operating income	-	-	-	-
Principal portion of lease payments accrued during the year	8.261.995	8.021.042	240.953	3,00%
- Rental income on real estate	1.920.198	1.854.545	65.653	3,54%
- Recovery of insurance expenses	15.119	15.959	-840	-5,26%
- Commission income on reports	154.994	161.069	-6.075	-3,77%
- Sundry expense recoveries	110.499	124.819	-14.320	-11,47%
Total	10.462.805	10.177.434	285.371	2,80%
Other operating expenses	57.101	63.681	-6.580	-10,33%
- Securitization setup charges	57.101	63.681	-6.580	-10,33%
Total	57.101	63.681	-6.580	-10,33%

According to the current CBSM Regulation 2016/02 on the preparation of annual financial statements, finance lease payments accrued during the year are recorded, for the interest portion, under the item "interest income and similar revenues on loans," and for the principal portion, under the item "other operating income." At the same time, the Bank reduces the value of the leased asset by the amount of the principal portion through depreciation. Therefore, "other operating income" includes the principal portions accrued on lease contracts, as well as buyout payments and upfront fees.

It is also worth noting the increase in the item "rental income from properties" within other operating income, due to the leasing of non-operating assets acquired through credit recovery, pending potential sale.

27. Administrative expenses (profit and loss account item 90)

Table 27.1: number of employees by category and personnel cost

DESCRIPTION	31/12/2025			31/12/2024		
	Average	Personnel expenses	Number	Average	Personnel expenses	Number
A) Managers	20,75	2.147.395	20	22,00	2.096.749	22
B) Administrative staff	12,33	1.041.642	12	13,42	1.043.082	13
C) Remaining personnel	67,58	4.492.352	67	70,67	4.337.079	69
C1. Employees	67,58	4.492.352	67	70,67	4.337.079	69
C2. Other personnel	-	-	-	-	-	-
Total	100,67	7.681.389	99	106,09	7.476.910	104

It should be noted that personnel costs, detailed in the table above, include under Executives also employees contractually classified as Officers, pursuant to CBSM Regulation no. 2016/02; however, they do not include remuneration paid to corporate bodies, such as directors and statutory auditors, disclosed in table 27.3, as also presented in the profit and loss account and required by art. IV.IV.6 of CBSM Regulation no. 2016/02.

It should also be noted that the number of employees decreased compared with the previous year due to terminations of employment relationships, against one new hire. The reduction in headcount made it possible to mitigate the increase in personnel costs resulting from the renewal of the National Collective Labour Agreement for employees.

Table 27.2: breakdown of sub-item b) "Other administrative expenses"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Other administrative expenses:	4.810.514	5.006.914	-196.400	-3,92%
<i>of which Fees to independent auditors</i>	80.350	58.270	22.080	37,89%
<i>of which Fees for services other than auditing the financial statements</i>	-	-	-	-
<i>of which Other:</i>	4.730.164	4.948.644	-218.480	-4,41%
Expenses for professional services	523.701	632.083	-108.382	-17,15%
Expenses for the purchase of non-professional goods and services	1.566.043	1.610.774	-44.731	-2,78%
Rents and fees	1.847.941	1.707.262	140.679	8,24%
Insurance premiums	174.788	191.981	-17.193	-8,96%
Supervisory charges	523.627	609.400	-85.773	-14,07%
Charity and sponsorship expenses	5.850	20.150	-14.300	-70,97%
Indirect taxes and duties	88.214	176.994	-88.780	-50,16%

In 2025, administrative expenses decreased by 3.92% compared with the previous year, despite inflationary pressures on supply costs and the launch of new projects that generated additional expenses, confirming the Bank's constant focus on cost control and the efficiency of expenditure processes.

Table 27.3: remuneration

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Directors	113.275	121.770	-8.495	-6,98%
B) Auditors	75.386	74.305	1.081	1,45%
C) Management	435.167	435.167	-	-
Total	623.828	631.242	-7.414	-1,17%

This table details the remuneration paid to Directors and Statutory Auditors for the positions held within the Bank, including attendance fees, as well as the remuneration paid to General Management, composed of the General Manager and the Deputy General Manager (until October 2025 there were two Deputy General Managers).

Additional costs related to Directors and Statutory Auditors, other than the compensation approved by the Shareholders' Meeting, are recorded under "other personnel expenses" and are shown in the specific sub-item in the table below.

Breakdown of item "Other personnel expenses"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Other personnel costs:	99.711	80.448	19.263	23,94%
of which Training costs:	63.862	41.892	21.970	52,44%
of which Other:	35.849	38.556	-2.707	-7,02%
- Expense reimbursements and travel	8.706	8.031	675	8,40%
- Miscellaneous expenses	12.470	14.000	-1.530	-10,93%
- Expense reimbursements and travel expenses directors and auditors	14.673	16.525	-1.852	-11,21%

28. Adjustments, recoveries and provisions (profit and loss account item 100 - 110 - 120 - 130 - 140 - 150 - 160 - 170)

Table 28.1: breakdown of items 100 - 110 "Value adjustments on intangible and tangible assets"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Immobilizzazioni immateriali	343.251	311.700	31.551	10,12%
of which - On leased assets	54.674	52.988	1.686	3,18%
<i>of which - Principal portion of lease payments accrued during the year</i>	<i>54.674</i>	<i>52.988</i>	<i>1.686</i>	<i>3,18%</i>
of which - On other intangible fixed assets	288.577	258.712	29.865	11,54%
- Software	201.161	164.153	37.008	22,54%
- Studies research and training	15.784	22.937	-7.153	-31,19%
- Miscellaneous deferred costs	25.000	25.540	-540	-2,11%
- Costs accommodation of rented premises	4.819	4.269	550	12,88%
- Concessionary rights and works of the underpass	41.813	41.813	-	-
Total	343.251	311.700	31.551	10,12%
B) Tangible fixed assets	9.395.086	9.129.283	265.803	2,91%
of which - On leased assets	8.230.004	7.943.254	286.750	3,61%
<i>of which - Principal portion of lease payments accrued during the year</i>	<i>8.230.004</i>	<i>7.943.254</i>	<i>286.750</i>	<i>3,61%</i>
of which - On other tangible fixed assets	1.165.082	1.186.029	-20.947	-1,77%
- Furniture safes and equipment	76.948	69.084	7.864	11,38%
- Electronic machines	88.416	88.603	-187	-0,21%
- Motor vehicles	21.080	21.080	-	-
- Real estate	946.402	946.288	114	0,01%
- Equipment and machinery	4.486	3.174	1.312	41,34%
- Assets available from debt collection	27.750	-	27.750	100,00%
Total	9.395.086	9.129.283	265.803	2,91%

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 CBSM Regulation 2016/02, Article IV.V.5.

Table 28.2: breakdown of item 120 "Reserves for risks and charges"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Provisions (relating to the sub-item "Other provisions" of Liabilities)	-	-	-	-
Provisions for charges, disputes and litigation	150.000	270.209	-120.209	-44,49%
Provisions for liabilities to be settled	10.000	-	10.000	100,00%
Total	160.000	270.209	-110.209	-40,79%

Table 28.3: item 130 "Provisions for credit risks"

Data not present.

Table 28.4: breakdown of item 140 "Value adjustments on loans and provisions for guarantees and commitments"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Value adjustments on loans	5.506.944	6.431.238	-924.294	-14,37%
<i>of which - Lump-sum adjustments for country risk</i>	-	-	-	-
<i>- Other lump sum adjustments</i>	584.678	623.817	-39.139	-6,27%
B) Provisions for guarantees and commitments	-	-	-	-
<i>of which - Lump-sum adjustments for country risk</i>	-	-	-	-
<i>- Other lump-sum provisions</i>	-	-	-	-
Totale	5.506.944	6.431.238	-924.294	-14,37%

According to CBSM Regulation no. 2016/02, and as already illustrated in the dedicated sections of these Notes to the Financial Statements, the Bank is required to carry out analytical impairment adjustments based on the solvency of individual debtors and collective impairment adjustments in relation to the performance of the relevant economic sector and country of reference. The impairment adjustments recognised during the year ended brought the loan loss provision to a level considered adequate in relation to expected losses; such adjustments generate coverage of total on-balance sheet loans and advances of 3.69%, compared with 4.06% as at 31/12/2024, increasing to 5.84% when including the minimum prudential coverage calculated according to the so-called calendar provisioning rules in Prudential Supervisory reporting.

Net impairment losses on loans and advances and provisions for guarantees and commitments amount to €4,211,892, composed as follows: €5,506,944 relating to provisions and impairment losses on loans and advances (table 28.4) and €1,295,051 relating to write-backs from collections and valuations (table 28.6). During the year, the instalment recognition in the profit and loss account of the impairment adjustments deriving from the Asset Quality Review (AQR) exercise continued for €4,581,762.

Table 28.5: various types of movements in item 140 "Value adjustments to receivables and provisions for guarantees and commitments".

DESCRIPTION	31/12/2025		31/12/2024		CHANGE	
	Analytics	Flat-rate	Analytics	Flat-rate	Amount	%
A) Total write-downs of cash receivables	4.922.266	584.678	5.807.421	623.817	-924.294	-14,37%
A1. Loan valuation - non-performing loans	3.877.191	-	3.978.584	-	-101.393	-2,55%
A2. Impairment of receivables - probable defaults	1.042.098	-	1.760.626	-	-718.528	-40,81%
A3. Impairment of receivables - impaired past due/overdue loans	2.977	-	68.211	-	-65.234	-95,64%
A4. Impairment of receivables - other credit exposures	-	584.678	-	623.817	-39.139	-6,27%
B) Total losses on cash loans	-	-	-	-	-	-
B1. Bad debts	-	-	-	-	-	-
B2. Probable defaults	-	-	-	-	-	-
B3. Impaired overdue and in arrears	-	-	-	-	-	-
B4. Other credit exposures	-	-	-	-	-	-
Total value adjustments on cash loans (A+B)	4.922.266	584.678	5.807.421	623.817	-924.294	-14,37%
C) Total provisions for guarantees and commitments	-	-	-	-	-	-
C1. Guarantees	-	-	-	-	-	-
C2. Commitments	-	-	-	-	-	-
Total general (A+B) + C	4.922.266	584.678	5.807.421	623.817	-2.772.882	-43,12%
Total		5.506.944		6.431.238		

Table 28.6: breakdown of item 150 "Writebacks on loans and on provisions for guarantees and commitments"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Writebacks	1.295.051	2.029.189	-734.138	-36,18%
<i>of which On non-performing loans</i>	229.196	346.328	-117.132	-33,82%
<i>of which On probable defaults</i>	313.031	954.181	-641.150	-67,19%
<i>of which On impaired past due and/or in arrears</i>	5.079	5.813	-734	-12,63%
<i>of which On other receivables</i>	747.745	722.867	24.878	3,44%

Table 28.7: breakdown of item 160 "Financial fixed asset adjustments"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Value adjustments	26.580	-	26.580	100,00%
<i>of which On equity investments</i>	26.580	-	26.580	100,00%
<i>of which On equity investments in subsidiaries</i>	-	-	-	-
<i>of which On equity investments in associated companies</i>	26.580	-	26.580	100,00%
<i>of which On equity investments valued at net equity</i>	-	-	-	-
<i>of which On other capital financial instruments</i>	-	-	-	-
<i>of which On other debt financial instruments</i>	-	-	-	-
<i>of which On other derivative financial instruments</i>	-	-	-	-

Table 28.8: breakdown of item 170 "Financial fixed asset writebacks"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Write-backs	3.770	98.302	-94.532	-96,16%
<i>of which On equity investments</i>	-	-	-	-
<i>of which On equity investments in subsidiaries</i>	-	-	-	-
<i>of which On equity investments in associated companies</i>	-	-	-	-
<i>of which On equity investments valued at net equity</i>	-	-	-	-
<i>of which On other capital financial instruments</i>	3.770	98.302	-94.532	-96,16%
<i>of which On other debt financial instruments</i>	-	-	-	-
<i>of which On other derivative financial instruments</i>	-	-	-	-

The write-backs on equity financial instruments are attributable to the update of the NAV as at 31/12/2025 of the Green Arrow Private Debt Fund, included in the Bank's proprietary investment securities portfolio.

As already set out in the valuation criteria, shareholdings in Subsidiaries are measured using the cost method.

29. Extraordinary income (profit and loss account item 190) and extraordinary charges (profit and loss account item 200)

Table 29.1: breakdown of item 190 "Extraordinary income" and item 200 "Extraordinary charges"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Extraordinary income	-	-	-	-
- Contingent assets	140.768	534.251	-393.483	-73,65%
- Termination of customer relations	6	124	-118	-95,16%
- Other extraordinary income	1.453.439	57.874	1.395.565	2.411,39%
- Capital gains from sale of real estate	113.051	148.757	-35.706	-24,00%
- Capital gains on investment securities	50.276	-	50.276	100,00%
Total	1.757.540	741.006	1.016.534	137,18%
Extraordinary charges	-	-	-	-
- Fixed portfolio premium/discount on losses on fixed securities	50.270	-	50.270	100,00%
- Transaction claims	-	-	-	-
- Repayment of interest income, commissions	2.528	107	2.421	2.262,62%
- Termination of customer relations	-	-	-	-
- Other extraordinary charges	260.295	175.135	85.160	48,63%
Total	313.093	175.242	137.851	78,66%

Extraordinary income increased compared with the previous financial year, due to extraordinary gains mainly attributable to the completion of the liquidation of the Odisseo Fund and to time-barred payable items.

Details of the item "Income tax for the year"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Income taxes for the year	1.107.000	470.000	637.000	135,53%
Total	1.107.000	470.000	637.000	135,53%

For the year under review, income taxes were recorded, as taxable income arose during the 2025 fiscal year, which will be finalized when the tax return is filed.

30. Change in the general financial risk fund (profit and loss account item 230)

Table 30.1: breakdown of item 230 "Change in the general financial risk fund"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Change in the general financial risk reserve	276.778	-	276.778	100,00%
Total	276.778	-	276.778	100,00%

During the 2025 financial year, as a precautionary measure, the Fund was increased by €0.277 million, bringing it to €1.700 million.

PART D – Other disclosure tables

31. Prudential aggregates

Table 31.1: prudential aggregates

DESCRIPTION	31/12/2025
	Amount
A) Regulatory capital	76.309.813
A1. Tier 1 capital	65.203.380
A2. Supplementary capital	17.828.440
A3. Items to be deducted	6.722.007
Risk assets and regulatory ratios	-
B1. Risk-weighted assets	354.216.898
C1. Regulatory capital/risk-weighted assets	21,54%

In preparing the prudential aggregates, the indications contained in CBSM Regulation no. 2007/07 and in the specific communications issued by the Supervisory Authority relating to the Asset Quality Review (AQR) exercise were adopted; the AQR impairment adjustments have been fully deducted from Regulatory Capital starting from the 2019 financial year, whereas, for statutory financial statement purposes, they remain suspended for 3/10 and are included under the asset item "Other Assets" for €13,745,285.

With reference to the Loan Management and Odisseo Funds, whose underlying assets were liquidated and proportionally transferred to the fund participants, as already indicated in section 5. "Bonds and other debt financial instruments and Shares, units and other equity financial instruments (items: 50-60 of assets)", the limited residual value (the remaining assets consist of cash), recognised at NAV as at 30/12/2025, was risk-weighted at 0% in continuity with the application of the regulatory provisions.

Unlike the Mezzanine class securities originally subscribed by the Bank, still weighted at 150%, the Mezzanine class securities received following the exchange with Junior class securities carried out during the previous financial year with the Non-Bank Transferors, as well as those received from the distribution of the Loan Management Fund, were assigned a 135% weighting, in accordance with the provisions of CBSM Circular no. 2022/01 on the prudential treatment of securitisations.

In light of the positive collections performance, the minimum weighting of 450% was also applied to the Junior class securities for the current financial year, as provided for by the above-mentioned CBSM Circular.

The solvency ratio, based on the proposed allocation of profit for the year by the Administrative Body, which provides for the distribution to shareholders of a dividend of €2.80 per share for a total amount of €2,014,404, reaches 21.54%

(22.11% before distribution), well above the required regulatory minimum of 11% and up by 0.15 percentage points compared with 31/12/2024, when it stood at 21.39%.

It should be noted that, pursuant to art. 15, paragraph 5, of CBSM Miscellaneous Regulation no. 2024/01, the Supervisory Authority had exceptionally and temporarily allowed, until 31/12/2024, a partial derogation regarding deductions from supplementary capital of net unrealised losses on the investment portfolio, with the consequence that these were included at 25% instead of the ordinary rate of 50%; during the 2025 financial year, the deduction again applied at the ordinary rate.

Against Regulatory Capital of €76,309,813, the calculation of minimum prudential coverage requirements shows a balance of €48,240,868, broken down as follows: €3,218,817 to cover operational risk; €38,963,859 to cover debtor default risk; and €6,058,192 for the supervisory expectations regarding minimum coverage of impaired credit exposures introduced by Circular no. 2023/01.

Considering the excess of Regulatory Capital over minimum capital requirements, a significant capital surplus of €28,068,945 was recorded (net of dividends proposed for distribution). This excess represents a clear indicator of the Bank's capital strength and solidity.

32. Major risks and related parties

Table 32.1: major risks

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Amount	33.371.635	10.622.072	22.749.563	214,17%
Number	4	1	3	300,00%

This table reports the number of risk positions that qualify as "large exposures" according to current supervisory regulations. The total amount represents the sum of individual risk positions, both direct and indirect, on- and off-balance sheet, gross of any portion deducted from regulatory capital, as reported in the prudential supervision filing as of the same reference date.

Table 32.2: risks to related parties

DESCRIZIONE	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Amount	19.079.956	14.506.198	4.573.758	31,53%
Number	7	6	1	16,67%

The table above shows the total risk-weighted amount and the number of risk positions toward related parties and entities connected to them, in accordance with current supervisory regulations. The total amount represents the sum of individual risk positions, both direct and indirect, on- and off-balance sheet, gross of any portion deducted from regulatory capital, as reported in the prudential supervision filing as of the same reference date.

33. Time distribution of assets and liabilities time distribution of assets and liabilities

Table 33.1: time distribution of assets and liabilities

ITEMS / REMAINING DURATIONS 31/12/2025	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	706.602.100	136.187.609	46.043.585	16.525.344	16.460.215	9.210.791	8.487.947		7.597.664	13.174.180	56.446.181	50.178.854	130.114.991	180.098.096	36.076.643
1.1 Treasury securities and other financial instruments eligible for refinancing with central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Loans to credit institutions	94.752.772	70.363.265	-	340.119	-	-	-	-	-	-	-	-	-	24.049.388
1.3 Loans to customers	271.421.875	54.996.021	34.977.079	9.757.052	12.441.230	1.908.172	8.487.947	1.576.556	7.778.206	5.863.128	47.598.854	11.339.922	64.591.953	10.105.755
1.4 Bonds and other debt financial instruments	310.997.731	-	5.722.867	2.947.373	-	6.391.571	-	4.958.158	5.395.974	49.106.615	2.580.000	116.467.530	115.506.143	1.921.500
1.5 Off-balance sheet transactions	29.429.722	10.828.323	5.343.639	3.480.800	4.018.985	911.048	-	1.062.950	-	1.476.438	-	2.307.539	-	-
2) Liabilities	772.317.268	489.203.856	34.107.905	92.975.895	89.724.190	28.746.493	724.911	26.669.789	262.284	5.618.726	1.975.680	2.307.539	-	-
2.1 Due to credit institutions	1.322.248	982.129	-	340.119	-	-	-	-	-	-	-	-	-	-
2.2 Due to customers	560.150.636	476.402.502	-	53.198.259	30.549.875	-	-	-	-	-	-	-	-	-
2.3 Payables represented by financial instruments	180.688.865	265.105	28.764.266	35.956.717	55.155.330	27.835.445	724.911	25.606.839	262.284	4.142.288	1.975.680	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Certificates of deposit	180.688.865	265.105	28.764.266	35.956.717	55.155.330	27.835.445	724.911	25.606.839	262.284	4.142.288	1.975.680	-	-	-
- Other financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other liabilities: cheques in circulation	725.797	725.797	-	-	-	-	-	-	-	-	-	-	-	-
2.5 Subordinated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.6 Off-balance sheet transactions	29.429.722	10.828.323	5.343.639	3.480.800	4.018.985	911.048	-	1.062.950	-	1.476.438	-	2.307.539	-	-

36. More information on credit/debit cards/e money

Table 36.1: amounts of money transfers

TYPE OF TRANSACTION	31/12/2025				31/12/2024			
	Transaction amount	Number of transactions	Commissions received	Expense recoveries	Transaction amount	Number of transactions	Commissions received	Expense recoveries
Credit cards	-	-	-	-	-	-	-	-
Debit cards	82.691.068	1.340.518	44.352	26.274	80.986.238	1.245.742	38.382	26.232
E-money	962.281	25.923	5.153	3.429	859.571	26.746	3.688	3.029
Total	83.653.349	1.366.441	49.505	29.704	81.845.809	1.272.488	42.070	29.261

Table 36.2: fraudulent uses

TYPE OF TRANSACTION	31/12/2025				31/12/2024			
	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	14.665	70	2.565	-	7.958	100	-	-
E-money	1.010	13	1.485	-	269	7	-	-
Total	15.674	83	4.050	-	8.227	107	-	-

Table 36.3: credit cards revoked due to default

Data not present.

Table 36.4: data on acquiring activity

DESCRIPTION	31/12/2025		31/12/2024	
	Number	Amount	Number	Amount
P.O.S.				
Number of Points of Sale (P.O.S.) affiliated with the reporting entity	545	-	522	-
Number of merchants contracted with the reporting institution	440	-	436	-
Payment transactions at merchants affiliated with the reporting institution	583.827	34.960.620	599.338	37.340.477
A.T.M.				
Number of Automatic Teller Machines (A.T.M.) operated by the reporting institution	10	-	11	-
Withdrawal transactions at A.T.M. operated by the reporting institution	94.095	19.975.480	98.401	21.061.220
Transactions at A.T.M. operated by the reporting institution other than withdrawal transactions	673	17.745	745	19.105

PART E – Other information

There is no further information to disclose.

San Marino, 29 April 2026

The General Manager

The Chairman of the Board of Directors

06

Auditors' report

REPORT OF THE BOARD OF STATUTORY AUDITORS

**On Financial statements for the year ended as of 31 December 2025
pursuant to Article 83 of Law No. 47/2006 and subsequent amendments and
additions.**

By

BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.P.A.

Headquartered in Dogana (RSM), Via Tre Settembre 316,
Registered under No. 5422 in the Register of Companies
and under No. 48 in the Register of Authorized Persons,
C.O.E. SM00087, share capital €20,880,080 fully paid in.

Dear Shareholders,

This Report discloses the conclusions of the audit activity carried out by the Board of Statutory Auditors and the information on the financial statements for the year ended as of 31 December 2025 of Banca Agricola Commerciale Istituto Bancario Sammarinese S.p.A. (hereinafter also "BAC" or "Bank"), pursuant to Article 83 of Law No. 47 of 23 February 2006, as amended, thus reporting the conclusions of the audit activity carried out. Following the voluntary resignation of one member of the Board of Statutory Auditors, the Shareholders' Meeting, on 23 April 2026, appointed a new member of the Board of Statutory Auditors based on the provisions established by Regulation no. 2025-05 of the Central Bank of the Republic of San Marino.

This report, which is submitted to the Shareholders' Meeting, includes the information, data, and insights that this Board has deemed appropriate to share with the Bank's shareholders.

The Board of Statutory Auditors examined the draft financial statements for the year ended as of 31 December 2025, prepared by the Directors and communicated to the Board, together with the management report on operations.

From the date on which each individual member took office, we carried out the duties entrusted to us and supervised compliance with the law and the Articles of Association, adherence to principles of proper administration, the adequacy of the internal control system and the administrative and accounting system, as well as the reliability of the latter in correctly

representing management events and the practical implementation of corporate governance rules.

We hereby provide a report of the activities carried out with this report submitted to the Meeting.

I. CORPORATE GOVERNANCE

Following the voluntary resignation of one member of the Board of Directors, the Shareholders' Meeting, on 27 February 2025, appointed a new member of the Board of Directors in the person of Dr Elisa Fabris.

It should also be noted that Director Francesco Gennari tendered his resignation from office on 23 March 2026.

During the 2025 financial year, the Board of Directors held 23 meetings. During the same financial year, the Anti-Money Laundering Committee met 5 times, the Credit Committee 25 times, the Management Committee 3 times, the Finance Committee 5 times, the Risk Committee 4 times, and the Loan Impairment Committee 3 times.

In this regard, during ordinary supervisory activities, the Board of Statutory Auditors noted that certain Committees did not meet during the financial year with the frequency established by the General Regulation, which requires meetings to be held at least quarterly. The Board of Statutory Auditors recommended compliance with the regulatory provisions.

II. SUPERVISORY ACTIVITIES CARRIED OUT.

During the financial year ended 31 December 2025, the Board of Statutory Auditors met 22 times.

On 10 February 2025, the Board of Statutory Auditors issued and submitted to the Board of Directors the opinion required pursuant to art. 33, paragraph 3, of AIF Instruction no. 05 of 11 February 2019 concerning the three-year review of the AML Officer Regulation, specifically chapter 3.1 relating to procedures for reporting suspicious transactions.

On 16 April 2025, the Board of Statutory Auditors issued and submitted to the Board of Directors the opinion required pursuant to art. 38, paragraph 5, of AIF Instruction no. 05 of 11 February 2019 regarding the AML Officer's independent control plan.

During the 2025 financial year, no circumstances arose requiring mandatory opinions to be issued by the Board of Statutory Auditors pursuant to applicable corporate regulations, nor does it appear that the Audit Firm was requested to issue any such opinions.

The Board of Statutory Auditors complied with the obligations set out under Article VII.IX.9, first paragraph, of Banking Regulation 2007/07, as subsequently amended.

Supervisory activities, in all forms provided for by law, also involved the direct participation of General Management, the various corporate functions, as well as the control functions.

The Board of Statutory Auditors attended all meetings of the Board of Directors and, in compliance with applicable regulations, obtained appropriate information regarding the general performance of operations and their foreseeable development, as well as significant transactions carried out by the Bank due to their size or characteristics, confirming that such transactions were conducted in compliance with the Law and the Articles of Association.

Within its remit, the Board of Statutory Auditors reports that it:

- examined the general aspects, management processes and methods for measuring risks inherent in and connected with the Bank's activities, as well as their suitability and effectiveness in addressing serious, persistent, widespread and generalised difficulties should they arise;
- monitored the development of operations in line with the strategic objectives established, as well as organisational changes consistent with those objectives, also verifying, through analyses and periodic reviews, that the information systems framework remained adequately updated.

With reference to the internal control system, it is noted that it is periodically reviewed and updated in relation to developments in business operations and the relevant environment. Internal audit activities are carried out by the Internal Audit function, which reports the results of its activities directly to the Board of Directors and the Board of Statutory Auditors.

During the financial year, the Board of Statutory Auditors maintained ongoing interaction with all control functions.

The Board of Statutory Auditors confirms that the control functions are autonomous and independent and represent an effective safeguard of compliance and legality for the Bank.

In light of the findings obtained and the supervisory activities carried out, the Board of Statutory Auditors considers the internal control system substantially adequate to the Bank's characteristics and compliant with

efficiency and effectiveness requirements in risk management and in ensuring compliance with internal and external procedures and regulations. The Board of Statutory Auditors also assessed, within its remit, the reliability of the administrative and accounting system in correctly recording and representing management events, through information periodically obtained from the managers of the relevant functions and through regular meetings with the Audit Firm.

The Board of Statutory Auditors also carried out the relevant supervisory activities regarding relationships maintained by the Bank with related and connected parties.

Based on the findings of the Heads of the Internal Control Functions, we can report that:

- there are currently no situations giving rise to compliance risks with applicable regulations, nor were any particular issues identified during the financial year requiring corrective actions in this regard; therefore, the overall control framework and procedures appear adequate to prevent the risk of regulatory non-compliance;
- the controls are considered adequate for ensuring the proper identification, updating and linkage of Related Parties and Connected Persons.

The Board of Statutory Auditors confirms that during the financial year no reports pursuant to art. 65 of Law no. 47/2006, as subsequently amended, were received, and that supervisory activities were conducted according to plan, without identifying any significant matters requiring disclosure in this Report.

It is also confirmed that during the 2025 financial year no reports or notifications were brought to the attention of the Board of Statutory Auditors by the Audit Firm.

Finally, it is noted that during the financial year meetings were held with the supervisory bodies of Subsidiaries.

III. FINANCIAL STATEMENTS

With regard to the review of the proper maintenance of accounting records and the correct recording of management events in the accounting books, as well as the verification of consistency between the information contained in the financial statements and the accounting records, and compliance of the financial statements with legal requirements, it should be recalled that these responsibilities are entrusted to the audit firm AB&D S.p.A.

The Board of Statutory Auditors supervised the general approach adopted in preparing the financial statements and their overall compliance with legal

requirements concerning their preparation and structure, and in this regard has no specific observations to report.

We believe that the information provided to the Shareholders' Meeting complies with applicable requirements and presents a true, balanced and comprehensive analysis of the Bank's situation, operating performance and results.

We examined the draft financial statements for the year ended 31 December 2025, comprising the Statement of Assets and Liabilities, Profit and Loss Account and Explanatory Notes to the Financial Statements, made available to us together with the Report of the Board of Directors, and accordingly report the following.

The Bank's net equity as at 31/12/2025 amounted to €100,470,614 and consisted of share capital of €20,880,080, ordinary or legal reserve of €49,069,046, treasury share reserve of €14,378, other reserves of €7,090,602, revaluation reserve of €18,184,127 and profit for the year of €5,232,381. To the amount of Net Equity identified above must be added, given its nature, the General Financial Risks Fund which, as at 31/12/2025, amounted to €1,700,000 (see line item 90 of the liabilities side of the Statement of Assets and Liabilities).

The supervisory limits, which are specifically presented and described in the financial statement documents, show for the 2025 financial year a Total Capital Ratio of 21.54%, improving compared with 31 December 2024 and above the minimum threshold of 11% established by Regulation 2007-07 (as subsequently amended and supplemented).

Regulatory Capital, subject to approval by the Shareholders' Meeting of the proposed allocation of profit, including €2.014 million allocated to shareholders as dividends and €3.218 million to reserves, and including only retained earnings capitalised, would amount to €76.309 million (€78.324 million before distribution), improving by 0.15 percentage points compared with 31/12/2024. The Bank recorded no capital deficiency for Prudential Supervision purposes during the financial year just ended.

Net loans and advances to customers amounted to €271,421,875, increasing by €10,781,939 compared with the previous financial year (+4.14%).

Gross impaired loans at year-end 2025 amounted to €32,518,815, decreasing compared with the previous year, when they amounted to €41,742,700.

During the financial year, BAC continued the constant monitoring of credit positions.

Total loans and advances to customers amounted overall to a nominal value of €281,813,181, against which impairment adjustments of €10,391,306 were

recognised; the overall coverage ratio for loans and advances to customers stood at 3.69%, increasing to 5.84% including minimum prudential coverage calculated according to the so-called Calendar Provisioning rules in Prudential Supervisory reporting.

The 2025 profit and loss account closed with a positive result for the year of €5,232,381, compared with the positive result of the previous financial year, which recorded a profit of €5,053,790.

On 4 May 2026, audit firm AB&D S.p.A. issued its audit report on the financial statements with an unqualified opinion and an emphasis of matter paragraph. More specifically, it expressed the following opinion:

"In our opinion, the financial statements provide a true and fair view of the assets, liabilities and financial position of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. as of 31/12/2025 and of the economic result for the year ended on that date, in accordance with San Marino regulations, including Regulation no. 2016-02 issued by the Central Bank of the Republic of San Marino, governing the criteria for their preparation."

The audit report also contains the following disclosure requirements:

" Without changing our judgment, we draw attention to the information contained and in greater detail in the Management Report and the Explanatory Notes to the Financial Statements regarding the following significant events.

- *The financial statements as of 31/12/2025 were prepared continuing the instalment recognition of the impairment adjustments deriving from the AQR (Asset Quality Review) exercise, permitted under article 40 of Law 173/2018 together with the authorisation of the Supervisory Authority (Prot. no. 20/5553 of 19/06/2020), over a ten-year period starting from 2019. As a result of the above-mentioned instalment process, the suspended impairment adjustments, recognised under asset item 130 "Other assets" as of 31/12/2025, amount to €13,745,285, with a 2025 profit and loss account impact of €4,581,762 recorded under item 140 "Value adjustments on loans and provisions for guarantees and commitments".*

- *As of the reporting date, the Bank holds a total of €5,938,162 in Mezzanine Notes and €6,126,093 in Junior Notes deriving from the System-wide Securitisation transaction pursuant to Law no. 157 of 30 August 2021, as subsequently amended and supplemented, completed at the end of 2023, in which it participated as originator. These amounts include the final tranches received during the financial year under review deriving from the distribution of the assets of the Loan Management Fund. In relation to the*

aforementioned securities, the Bank maintained a carrying amount equal to the issue value. These are investment financial instruments, subject to a gradual and progressive prudential weighting process for supervisory purposes, the determinations regarding their recovery value to be carried out by the Bank following future assessments on the continuation of the transaction, all as further detailed and explained in the explanatory notes to Table 5.1 of the Notes to the Financial Statements.

- *The Bank, as permitted by regulation, allocated €276,778 to liability item 90 "General Financial Risks Fund" as a capital strengthening measure aimed at addressing potential future risks, bringing the total balance of the Fund to €1,700,000 as at 31/12/2025, all as detailed in the notes to Table 19.1 of the Notes to the Financial Statements".*

As the statutory audit of the financial statements is not entrusted to this Board of Statutory Auditors, we supervised the general approach adopted in their preparation and their overall compliance with legal requirements concerning their preparation and structure and, in this regard, we have no observations to report.

IV. COMMENTS AND PROPOSAL REGARDING THE FINANCIAL STATEMENTS AND ITS APPROVAL

Considering the findings of the work we carried out and the opinion expressed in the audit report issued by the statutory auditor, we invite you to approve the financial statements for the year ended as of 31 December 2025, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposed allocation of the 2025 financial year profit, as formulated by the administrative body.

San Marino, 13 May 2026

Dott.ssa Vanessa Tavolini (Chairman)

Avv. Erika Marani (Auditor)

Dott. Roberto Protti (Auditor)

DECLARATION

All members of the Board of Statutory Auditors of Banca Agricola Commerciale S.p.A. declare that no grounds for disqualification exist pursuant to CBSM Regulation 2025/05 and Law no. 47 of 23 February 2006, as

subsequently amended and supplemented, for the purpose of holding the office of Statutory Auditor.

San Marino, 13 May 2026

Dott.ssa Vanessa Tavolini (Chairman)

Avv. Erika Marani (Auditor)

Dott. Roberto Protti (Auditor)

07

Independent auditors' report

ab&d

audit business & development spa

REPORT OF THE INDEPENDENT AUDITING COMPANY PURSUANT TO THE COMBINED PROVISION OF ARTICLE 33, PARAGRAPH 1, LETTER A) LAW NO. 165 OF 17 NOVEMBER 2005, AS AMENDED, ARTICLE 68, PARAGRAPH 1, POINTS 2) AND 3) OF LAW NO. 47 OF 23 FEBRUARY 2006, AS AMENDED (COMPANY LAW) AND ARTICLE VIII.I. 1 OF REGULATION 2016-02 EMANATED BY THE CENTRAL BANK OF THE REPUBLIC OF SAN MARINO

To the shareholders of

BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A.

Judgement

We audited the financial statements of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. (hereinafter referred to as the Company or the Bank) made up of the Statement of Assets and Liabilities as of 31/12/2025, the Profit and Loss Account for the year closed at such date and the Explanatory Notes to the Financial Statements.

In our opinion, the financial statements give a true and fair view of the equity and financial situation of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. as of 31/12/2025 and the economic result for the year closed on that date in accordance with San Marino regulations, including Regulation 2016-02 issued by the Central Bank of the Republic of San Marino, which governs their drafting criteria.

Basis for judgment

We carried out the audit in accordance with the regulations in force in the Republic of San Marino and, where applicable, to international auditing standards. Our responsibilities under these principles are further described in the section of this report entitled Responsibilities of the Auditing firm for the audit of financial statements. We are independent of the Bank in compliance with the rules and principles on ethics and independence applicable in the San Marino system to the audit of financial statements. We believe that we acquired sufficient and appropriate evidence on which to base our judgment.

A note to public disclosure

Without prejudice our judgment, we call attention to the information contained and more detailed in the Management Report and in the Explanatory Notes in relation to the following important facts:

- The financial statements as at 31/12/2025 were prepared by continuing the accrual of adjustments resulting from the AQR (Asset Quality Review) exercise permitted by art. 40 of Law no. 173/2018 together with the authorization of the Supervisory Authority (Prot.no. 20/5553 of 19/06/2020), over a period of 10 years starting from 2019. As a result of the aforementioned accrual process, the suspended value adjustments, recorded under item 130 of assets "Other assets" as of 31/12/2025, amount to €13,745,285 with an impact on the 2025 profit and loss account of €4,581,762, recorded under item 140 "Value adjustments to receivables and provisions for guarantees and commitments".
- As at the reporting date, the Bank holds a total of €5,938,162 in Mezzanine Notes and €6,126,093 in Junior Notes deriving from the System-wide Securitisation transaction pursuant to Law no. 157 of 30 August 2021, as subsequently amended and supplemented,

completed at the end of 2023, in which the Bank participated as originator. These amounts include the final tranches received during the financial year under review deriving from the distribution of the assets of the Loan Management Fund. In relation to the aforementioned securities, the Bank maintained a carrying amount equal to the issue value. These are fixed financial instruments, subject to a process of gradual and progressive prudential weighting, the determinations regarding their recovery value to be carried out by the Bank following future assessments on the continuation of the transaction, all as further detailed and explained in the notes to Table 5.1 of the Explanatory Notes to the Financial Statement.

- The Bank, as permitted by regulation, made an allocation of €276,778 under liability item 90 "General Financial Risks Fund" as a capital strengthening measure to address potential future risks, bringing the Fund to a total balance as at 31/12/2025 of €1,700,000, all as detailed in the notes to Table 19.1 of the Explanatory Notes to the Financial Statements.

Other aspects

It should be noted that the Bank holds controlling interests; in view of the current regulatory framework, the Bank, as Parent Company, will prepare the consolidated financial statements within the prescribed regulatory deadlines.

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the legislation in force in the Republic of San Marino on their preparation and, within the terms provided for by law, for the part of the internal audit deemed necessary by the directors themselves to allow the preparation of financial statements without significant errors due to fraud or unintentional behavior or events.

The directors are responsible for the assessment of the Bank's ability to continue operating as an operating entity and, in preparing the financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate information on the matter. Directors use the going concern assumption in preparing the financial statements unless they have considered that the conditions for the Bank's liquidation or interruption of the business exist or have no realistic alternatives to those choices.

The statutory auditors responsible for supervising, within the terms provided for by law, the process of preparing the company's financial policy.

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

Our objectives are to acquire reasonable certainty that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, 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 error, if existing.

Errors can result from fraud or unintentional behavior or events and are considered significant if they can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by users on the basis of the financial statements.

As part of the audit carried out in accordance with the legislation in force in the Republic of San Marino and, where applicable, to international auditing standards, we exercised our professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- we identified and assessed the risks of significant errors in the financial statements due to fraud or unintentional behavior or events; we defined and carried out audit procedures in response to these risks; we acquired sufficient and appropriate audit evidence on which to base our judgment. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error resulting from unintentional behavior or events, since fraud may imply the existence of collusion, forgery, intentional omissions, misleading representations or internal audit forcing;
- we acquired a relevant understanding of the internal control for auditing purposes in order to define appropriate circumstantial audit procedures and not to express an opinion on the effectiveness of the internal control of the Bank;
- we have assessed the appropriateness of the accounting principles used, as well as the reasonableness of accounting estimates made by the directors, including the related disclosure;
- we reached a conclusion on the appropriateness of the directors' use of the assumption of business continuity and, based on the audit evidence acquired, on whether there is significant uncertainty regarding events or circumstances that may give rise significant doubts about the Company's ability to continue operating as an operating entity. In the presence of significant uncertainty, we are required to draw the attention in the audit report to the related disclosure, that is, if such disclosure is inadequate, to reflect this fact in the formulation of our judgment. Our conclusions are based on the audit evidence acquired up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as an operating entity;
- We assessed the presentation, structure and content of the financial statement as a whole, including disclosure, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

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.

Report on other provisions of law and regulations

Judgment pursuant to article VIII.I.1, paragraph 2, letter 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 the preparation of the management report as of 31/12/2025, including its consistency with the related financial statements and its compliance with the Regulation.

We carried out the procedures indicated in the auditing principle (SA Italia) no. 720B in order to express an opinion on the consistency of the management report with the financial statements of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. as of 31/12/2025 and on its compliance with the Regulation, as well as to issue a declaration on any relevant incorrect statements.

In our opinion, the management report is consistent with the financial statements of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. as of 31/12/2025 and is prepared in compliance with the Regulation.

With reference to the declaration referred to in article VIII.I.1, paragraph 2, letter b) of the Regulation, based on the knowledge and understanding of the company and the related context acquired during the audit, we have nothing to report.

San Marino, 4 May 2026

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

Marco Stolfi
Director

BANCA AGRICOLA COMMERCIALE
Istituto Bancario Sammarinese S.p.a.

HEADQUARTERS
Via Tre Settembre, 316
47891 Repubblica di San Marino
tel. 0549 871111
customercare@bac.sm