Consolidate Financial Statements 2025

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Corporate position

BANCA AGRICOLA COMMERCIALE
Istituto Bancario Sammarinese

Board of Directors

Emanuele Cesarini
Chairman

Franco Gallia
Vice Chairman

Micaela Licia Menicucci
General Manager

Board Members

Elisa Fabris

Gian Primo Giardi
Board Member

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

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
Director

Riccardo Terenzi
Deputy Director

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Report of the board of directors

BANCA AGRICOLA COMMERCIALE
Istituto Bancario Sammarinese

Consolidated management report

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The macroeconomic scenario

Global economic outlook

The global economy is preparing for a slowdown during 2026, according to the latest analysis in the OECD[1] Economic Outlook published on 3 June. The international organisation revised its global growth forecasts downwards and identified the current energy crisis and geopolitical tensions in the Middle East as the main risks to the world economy.

According to the OECD, global gross domestic product will grow by 2.8% in 2026, down from the 3.4% recorded in 2025. A recovery to 3.1% is forecast for 2027, although the outlook remains subject to the high degree of uncertainty surrounding the situation in the Middle East. The conflict in the Middle East is the main factor affecting the global economic outlook. Rising energy prices are generating renewed inflationary pressures, while the immediate direct effect is a reduction in the purchasing power of households and businesses, with consequences for domestic demand and, consequently, investment.

The effects of the slowdown will not, however, be uniform. In the euro area, growth is expected to fall from 1.4% in 2025 to 0.8% in 2026, before a moderate recovery in 2027. In the United States, economic growth is expected to slow from 2.1% to 2.0%, before settling at 1.8% the following year. China is also expected to slow, with projected growth of 4.5% in 2026 compared with 5.0% in the previous year. India is likewise expected to record lower growth, although it will continue to have one of the highest growth rates among the major economies, falling from 7.6% to 6.3%.

The OECD also notes that higher energy costs could have a significant impact on the labour market. In approximately one-third of the organisation's member economies, real wages, after adjusting for inflation, could decline. This means that even where nominal wages increase, higher prices could reduce households' spending capacity.

The outlook could deteriorate further if energy-related tensions persist and spread into 2027 and energy prices remain significantly higher than expected. Under such circumstances, global growth could fall to 2.1% in 2026 and 1.8% in 2027.

Central banks in both advanced and emerging economies must remain vigilant and attentive to changes in the balance of risks arising from economic and financial developments, to ensure that underlying inflationary pressures are contained on a lasting basis. The uncertainty surrounding the outlook complicates the work of central banks.

[1] Organisation for Economic Co-operation and Development.

Against this background, at its meeting of 11 June 2026, the European Central Bank raised the deposit facility rate by 0.25 percentage points, from 2.00% to 2.25%. The decision, which economists had widely expected following the energy shock caused by the war involving Iran, represented the first monetary policy tightening since September 2023. The main refinancing operations rate increased from 2.15% to 2.40%, while the marginal lending facility rate rose from 2.40% to 2.65%, with effect from 17 June 2026.

The monetary policy decision is intended to ensure that inflation stabilises at the medium-term target of 2%. "The conflict in the Middle East is generating inflationary pressures, and the decision to raise interest rates is robust across a range of scenarios outlining how the shock could evolve and affect the medium-term outlook for the euro area. It is essential that support for the energy sector be temporary and targeted," the ECB Governing Council stated.

Governments responded promptly to the energy crisis by introducing a broad range of support measures for households and businesses. Although these measures were introduced rapidly, many proved insufficiently targeted. Support directed at vulnerable households and businesses can provide effective protection at a lower fiscal cost. This is particularly important given the need to ensure fiscal sustainability over the medium term. As energy prices normalise, support measures should also be gradually withdrawn. In addition to being timely, targeted and temporary, the measures should preserve incentives for energy conservation. Should growth weaken substantially, as envisaged under a prolonged-crisis scenario, fiscal policy will need to provide the stimulus required to support output, given the limited room for manoeuvre available to monetary policy.

(+) Upward revision, by 0.3pp or more
(−) Downward revision, by 0.3pp or more

	2025	2026	2027
World	3.4	2.8	3.1
Australia	2.0	(−) 1.9	(−) 1.8
Canada	1.7	1.2	1.7
Euro area	1.4	(−) 0.8	1.2
Germany	0.3	(−) 0.7	(−) 1.1
France	0.9	(−) 0.7	0.8
Italy	0.5	0.5	0.6
Spain	2.8	2.2	1.7
Japan	1.1	0.6	0.8
Korea	1.0	(+) 2.6	1.9
United Kingdom	1.4	(−) 0.9	1.1
United States	2.1	2.0	1.8

	2025	2026	2027
G20	3.3	3.0	3.0
Argentina	4.4	2.8	(−) 3.5
Brazil	2.3	1.6	2.1
China	5.0	4.5	4.3
India	7.6	6.3	6.4
Indonesia	5.1	4.7	5.0
Mexico	0.8	(−) 0.8	1.8
Russia	1.0	0.5	0.8
Saudi Arabia	4.5	(−) 3.2	(+) 4.3
South Africa	1.1	1.2	1.6
Türkiye	3.6	(−) 3.1	3.8

Source: OECD Economic Outlook, 6 June 2026

During the recent visit to San Marino from 1 to 5 June, the Head of Mission of the **International Monetary Fund** noted that economic growth accelerated in 2025 due to improved external conditions, although high-frequency indicators point to a slowdown in 2026. GDP growth rose to 1.5% in 2025 (from 1.0% in 2024), driven by the recovery of export-oriented sectors. Manufacturing-sector revenues rebounded after two years of decline, while tourism remained strong, with record arrivals and overnight stays. Inflation increased to 2.3%, reflecting strong price pressures in the services sector. Although employment continued to

expand in 2025, momentum weakened from the end of 2025, with unemployment rising to 4.5% in April 2026. Higher energy prices, increased global uncertainty and weak foreign demand are expected to result in GDP growth of 1.3% in 2026. Following the better-than-expected results achieved in 2025 and the recent reforms, fiscal policy is expected to continue increasing reserves and reducing debt. Preliminary data indicate that the primary surplus for 2025 rose to 2.4% of GDP (compared with 1.5% in 2024), due to strong revenues, particularly those deriving from income taxes, and lower expenditure. Strong investor confidence, reflected in the Eurobond issuance of April 2026, made it possible to extend maturities, reduce interest costs and lower refinancing risk.
The banking system's liquidity and asset quality improved, although further efforts are required to strengthen the profitability and capital of certain banks. The Central Bank's efforts to align regulations with European Union (EU) standards accelerated the transformation of the banking sector. Banks' asset quality improved, with the ratio of **net non-performing loans (NPLs) falling to 11.1% in 2025.** Furthermore, the recovery process carried out by the asset management company exceeded expectations, with full repayment of the remaining State-guaranteed senior securities expected by mid-2027 at the latest. Nevertheless, certain legacy vulnerabilities remain in some banks.
In June 2026, the three major international rating agencies, Standard & Poor's, followed by Morningstar DBRS and Fitch Ratings, announced upgrades to the Republic's ratings in rapid succession. Fitch raised San Marino's **long-term sovereign rating** from BBB- to BB, with a stable outlook; Morningstar DBRS raised its rating from **BBB low to BBB**, with a positive trend, while Standard & Poor's, which had opened this series of rating actions, raised its assessment from **BBB+ to A**. This recognition reflects the strength of the country's fiscal policies and optimism regarding its economic future.

Scope of consolidation

In 2025, the ownership structure of the Banca Agricola Commerciale S.p.A. Group remained stable; the following companies, wholly or majority-owned by the Parent Company and included within the scope of consolidation under the full consolidation method, remain part of the Group:

- BAC Investments SG S.p.A., wholly owned, an Asset Management Company established in 2018 and authorised exclusively to promote and manage collective investment funds;
- BAC Life S.p.A., wholly owned, the only San Marino life insurance undertaking operating in the Republic, 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, which carries out the activities of Professional Trustee and resident agent in accordance with the applicable legislation;
- BAC Real Estate S.r.l. (formerly IBS Immobiliare S.r.l.), wholly owned, which is responsible for managing and enhancing the value of real-estate assets;
- San Marino Finanza e Previdenza S.r.l., established in 2021 with a 51% ownership interest, in a joint venture with a company incorporated under Italian law, which acts as the Banking Group's insurance agency and is responsible for distributing non-life and life insurance policies.

The following are equity investments in other companies outside the Banking Group's corporate scope, with an ownership interest greater than or equal to 20%, consolidated using the proportionate consolidation method:

- S.S.I.S. S.p.A. (Società Sistemi Informatici Sammarinese), held equally at 50% with another San Marino credit institution;
- NCO Immobiliare S.r.l., held at 50% together with another local bank and established in 2022 to protect their respective creditor claims against a common debtor;
- Centro Servizi S.r.l., held at 33.33% together with two other San Marino banks and operating in the information technology sector;
- S3 – Special Servicer Sammarinese S.r.l., appointed to act as Special Servicer for the system-wide securitisation transaction carried out pursuant to Law No. 157/2021, in which BAC holds 33.00% of the share capital together with the other originator banks.

General principles for preparing the consolidated management report

The Consolidated Management Report is intended to ensure, both in form and in substance, adequate clarity and a true and fair representation of the Group's financial position and financial performance.

The information is provided using concise, reclassified balance-sheet and income-statement formats, strictly reconciled with the mandatory financial-statement formats. Reference is made to the following tables for a summary presentation of the consolidated Balance Sheet and Income Statement figures as at 31 December 2025, prepared in accordance with the following procedures:

- the separate accounting balances of the Parent Company BAC as at the reporting date were added to those of the subsidiaries in which an ownership interest exceeding 50% is held, in order to obtain an initial aggregate figure;
- the reciprocal balance-sheet balances were eliminated, together with the reciprocal recognition of costs and revenues arising during the year between Group companies;
- the shareholders' equity items of the subsidiaries were eliminated against the carrying amounts of the related equity investments, and any resulting difference (positive or negative consolidation difference) was recognised in the shareholders' equity of the Parent Company;
- the dividends from subsidiaries recognised on a cash basis, relating to the financial statements as at 31 December 2024, were eliminated, with a corresponding increase in the relevant revaluation reserve, as required by the consolidation procedures set out in BCSM Circular No. 2017/03;
- equity investments representing an ownership interest of less than or equal to 50% and greater than or equal to 20% were consolidated using the proportionate consolidation method: the assets, liabilities and "off-balance-sheet" transactions, as well as the income and expenses of the jointly controlled undertaking, were included in the consolidated financial statements in proportion to the ownership interest held in that undertaking.

Main data

Profit and loss account data

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Absolute	%
Financial Margin	**14.839.098**	**15.050.276**	**-211.178**	**-1,40%**
Net commissions	7.314.230	6.399.157	915.073	14,30%
Profits and losses from financial operations	480.461	530.934	-50.473	-9,51%
Other expenses	-59.066	-72.230	13.164	-18,23%
Other income	3.630.132	3.920.303	-290.171	-7,40%
Net premiums	21.129.639	29.682.108	-8.552.469	-28,81%
Profit (loss) from insurance management	-19.232.446	-28.833.842	9.601.396	-33,30%
Brokerage income	**13.262.950**	**11.626.430**	**1.636.520**	**14,08%**
Intermediation margin	**28.102.048**	**26.676.706**	**1.425.342**	**5,34%**
Personnel expenses	-9.435.364	-9.146.174	-289.190	3,16%
Administrative expenses	-5.600.758	-5.988.189	387.431	-6,47%
Adjustments to property, plant and equipment and intangible assets	-1.735.036	-1.674.533	-60.503	3,61%
Operating expenses	**-16.771.158**	**-16.808.896**	**37.738**	**-0,22%**
Operating income	**11.330.890**	**9.867.810**	**1.463.080**	**14,83%**
Provisions for risks and charges and net adjustments to receivables	-4.473.139	-4.997.400	524.261	-10,49%
Provisions for credit risks	-5.000	-14.900	9.900	-66,44%
Value adjustments on financial fixed assets	-22.810	98.302	-121.112	-123,20%
Value adjustments on non-instrumental fixed assets	-	-	-	-
Extraordinary profit/loss	1.489.195	503.101	986.094	196,00%
Change in the provision for general financial risks (+/-)	-276.778	-	-276.778	100,00%
Profit before tax	**8.042.358**	**5.456.913**	**2.585.445**	**47,38%**
Income taxes for the year	-1.352.804	-574.510	-778.294	135,47%
Profit (loss) for the year attributable to third parties	13.445	11.965	1.480	12,37%
Profit/(loss) for the year	**6.676.109**	**4.870.438**	**1.805.671**	**37,07%**

On the basis of the reporting formats required by the Supervisory Authority (see BCSM Regulation No. 2016/02), intermediation income includes the principal and interest portions of lease instalments paid by customers, with the former offset by corresponding depreciation charges included under impairment losses on tangible fixed assets; in this reclassification, in order to provide a more accurate representation of the intermediate financial results, the above-mentioned items are presented net of the principal portion and the corresponding depreciation charge relating to those leases.

Financial statement representation and key indicators

RECLASSIFIED CONSOLIDATED BALANCE SHEET ASSETS	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Cash and cash equivalents	5.096.685	4.211.421	885.264	21,02%	0,43%	0,38%
Loans to banks	95.122.352	119.276.310	-24.153.958	-20,25%	8,08%	10,67%
Loans to customers	270.227.671	259.470.360	10.757.311	4,15%	22,95%	23,22%
Financial assets	331.223.179	264.059.093	67.164.086	25,44%	28,14%	23,63%
Shareholdings	5.002.491	5.002.491	-	-	0,42%	0,45%
Positive consolidation differences	267.487	407.778	-140.291	-34,40%	0,02%	0,04%
Tangible fixed assets	116.980.000	117.852.558	-872.558	-0,74%	9,94%	10,55%
Intangible fixed assets	2.238.256	2.327.429	-89.173	-3,83%	0,19%	0,21%
Other assets	351.080.715	344.874.058	6.206.657	1,80%	29,82%	30,86%
Total assets	**1.177.238.836**	**1.117.481.498**	**59.757.338**	**5,35%**	**100,00%**	**100,00%**

RECLASSIFIED CONSOLIDATED BALANCE SHEET LIABILITIES	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Due to banks	4.465.200	5.275.248	-810.048	-15,36%	0,38%	0,47%
Due to customers	540.921.956	518.326.129	22.595.827	4,36%	45,95%	46,38%
Debts represented by securities	180.688.865	166.875.803	13.813.062	8,28%	15,35%	14,93%
Other liabilities	100.981.522	87.784.790	13.196.733	15,03%	8,58%	7,86%
Provisions for risks and charges	3.539.535	2.637.842	901.693	34,18%	0,30%	0,24%
Provision for non-adjustable credit risks	630.000	625.000	5.000	0,80%	0,05%	0,06%
Technical reserves	241.462.759	233.955.742	7.507.017	3,21%	20,51%	20,94%
Provision for general financial risks	1.700.000	1.423.222	276.778	19,45%	0,14%	-
Subordinated liabilities	-	2.400.988	-2.400.988	-100,00%	-	0,21%
Negative consolidation differences	513.369	-	513.369	100,00%	0,04%	-
Equity attributable to third parties	40.995	38.319	2.676	6,98%	-	-
Net equity *	102.294.635	98.138.415	4.156.220	4,24%	8,69%	8,78%
- Capital and reserves	95.618.526	93.267.977	2.350.549	2,52%	8,12%	8,35%
- Retained losses	-	-	-	-	-	-
- Result for the year	6.676.109	4.870.438	1.805.671	37,07%	0,57%	0,44%
Total liabilities	**1.177.238.836**	**1.117.481.498**	**59.757.339**	**5,35%**	**100,00%**	**100,00%**

* The amount is stated net of treasury shares.

RECLASSIFIED PROFIT AND LOSS ACCOUNT	31/12/2025	% Intermediation margin	31/12/2024	% Intermediation margin	CHANGE	
					Absolute	%
Interest and similar income	**21.515.400**	**76,56%**	**25.024.327**	**93,81%**	**-3.508.927**	**-14,02%**
of which a) Interest income to customers	*10.990.188*	***39,11%***	*14.025.841*	***52,58%***	*-3.035.653*	*-21,64%*
b) Interest income to banks	*1.770.051*	***6,30%***	*3.961.120*	***14,85%***	*-2.191.069*	*-55,31%*
c) Interest income on debt securities	*8.755.161*	***31,15%***	*7.037.366*	***26,38%***	*1.717.795*	*24,41%*
Interest expense and similar charges	**-6.725.456**	**-23,93%**	**-10.081.016**	**-37,79%**	**3.355.560**	**-33,29%**
of which a) Interest expense to customers	*-3.193.958*	*-11,37%*	*-4.934.674*	*-18,50%*	*1.740.716*	*-35,28%*
b) Interest expense on payables represented by securities	*-3.454.483*	*-12,29%*	*-5.088.373*	*-19,07%*	*1.633.890*	*-32,11%*
c) Interest expense to banks	*-77.015*	*-0,27%*	*-57.969*	*-0,22%*	*-19.046*	*32,86%*
Net interest income	**14.789.944**	**52,63%**	**14.943.311**	**56,02%**	**-153.367**	**-1,03%**
Dividends and other revenue	49.154	0,17%	106.965	**0,40%**	-57.811	-54,05%
Financial margin	**14.839.098**	**52,80%**	**15.050.276**	**56,42%**	**-211.178**	**-1,40%**
Net commissions	7.314.230	26,03%	6.399.157	23,99%	915.073	14,30%
of which a) Commission income	*9.649.807*	*34,34%*	*8.490.949*	*31,83%*	*1.158.858*	*13,65%*
b) Commission expense	*-2.335.577*	*-8,31%*	*-2.091.792*	*-7,84%*	*-243.785*	*11,65%*
Profits and losses from financial transactions	480.461	1,71%	530.934	1,99%	-50.473	-9,51%
of which a) On securities	*66.446*	*0,24%*	*228.468*	*0,86%*	*-162.022*	*-70,92%*
b) On exchanges	*414.015*	*1,47%*	*302.466*	*1,13%*	*111.549*	*36,88%*
Other net income *	3.630.132	12,92%	3.920.303	14,70%	-290.171	-7,40%
Other net expenses	-59.066	-0,21%	-72.230	-0,27%	13.164	-18,23%
Net fee and commission income	**11.365.757**	**40,44%**	**10.778.164**	**40,40%**	**587.593**	**5,45%**
Net premiums	**21.129.639**	**75,19%**	**29.682.108**	**111,27%**	**-8.552.469**	**-28,81%**
Profit (loss) from insurance management	**-19.232.446**	**-68,44%**	**-28.833.842**	**-108,09%**	**9.601.396**	**33,30%**
Gross income	**28.102.048**	**100,00%**	**26.676.706**	**100,00%**	**1.425.342**	**5,34%**
Operating costs	**-16.771.158**	**-59,68%**	**-16.808.896**	**-63,01%**	**37.738**	**-0,22%**
of which a) Personnel expenses	*-9.435.364*	*-33,58%*	*-9.146.174*	*-34,29%*	*-289.190*	*3,16%*
b) Other administrative expenses	*-5.600.758*	*-19,93%*	*-5.988.189*	*-22,45%*	*387.431*	*-6,47%*
*c) Depreciation on fixed assets: tangible and intangible**	*-1.735.036*	*-6,17%*	*-1.674.533*	*-6,28%*	*-60.503*	*3,61%*
Operating income	**11.330.890**	**40,32%**	**9.867.810**	**36,99%**	**1.463.080**	**14,83%**
Provisions and net adjustments to loans and advances	-4.204.201	-14,96%	-4.402.049	-16,50%	197.848	-4,49%
Allocations to provisions for credit risks	-5.000	-0,02%	-14.900	-0,06%	9.900	-
Provisions for risks and charges	-268.938	-0,96%	-595.351	-2,23%	326.413	-54,83%
Value adjustments/reversals on financial fixed assets	-22.810	-0,08%	98.302	0,37%	-121.112	-123,20%
Value adjustments on non-instrumental fixed assets	-	-	-	-	-	-
Income from ordinary activities	**6.829.941**	**24,30%**	**4.953.812**	**18,57%**	**1.876.129**	**37,87%**
Extraordinary income (loss)	1.489.195	**5,30%**	503.101	**1,89%**	986.094	196,00%
Profit before allocations to the fund for general financial risks	**8.319.136**	**29,60%**	**5.456.913**	**20,46%**	**2.862.223**	**52,45%**
Change in provision for general financial risks (+/-)	-276.778	**-0,98%**	-	**-**	-276.778	100,00%
Profit before tax	**8.042.358**	**28,62%**	**5.456.913**	**20,46%**	**2.585.445**	**47,38%**
Income taxes	-1.352.804	**-4,81%**	-574.510	**-2,15%**	-778.294	135,47%
Profit (loss) for the year attributable to third parties	13.445	**-**	11.965	**1.480**	1.480	12,37%
Profit (loss) for the year	**6.676.109**	**23,76%**	**4.870.438**	**18,26%**	**1.805.671**	**37,07%**

* Net of the principal portions accrued during the year relating to lease payments on assets subject to finance lease agreements.

MAIN INDICATORS	31/12/2025	31/12/2024
Structural data		
Number of Group employees at year-end*	117	120
Number of branches	8	8
Credit risk ratios		
Net non-performing loans/Net loans to customers	3,60%	4,15%
Net doubtful loans/Net loans to customers	8,78%	12,39%
Coverage on total loans	3,70%	4,08%
Profitability indicators		
Net interest income / gross income	52,80%	56,42%
Net fee and commission income / gross income	40,44%	40,40%
cost/income ratio	59,68%	63,01%
Operating income / gross income	40,32%	36,99%
Leverage (average assets / average equity)	11,51	11,39
ROA at year-end	0,57%	0,44%
ROE at year-end (equity including the General financial risk fund)	6,42%	4,89%

* The number of employees is determined by applying the consolidation rules applicable to the company to which they belong.

Customer financial assets

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
A) Direct deposits	**722.336.618**	**688.627.093**	**33.709.524**	**4,90%**	**100%**	**100%**
Savings Deposits	1.058.219	1.238.497	-180.278	-14,56%	0,15%	0,18%
Customer current accounts in euros and foreign currency	455.951.640	431.335.383	24.616.257	5,71%	63,12%	62,64%
Repurchase agreements	21.199.199	31.568.674	-10.369.475	-32,85%	2,93%	4,58%
Other funds	62.712.897	54.183.575	8.529.322	15,74%	8,68%	7,87%
Certificates of deposit	180.688.865	166.875.803	13.813.062	8,28%	25,01%	24,23%
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%	-	0,35%
B) Managed deposits (market value)	**297.496.951**	**259.170.482**	**38.326.469**	**14,79%**		
of which Cash	*6.273.760*	*5.686.844*	*586.916*	*10,32%*		
of which Subordinated Loan	-	-	-	-		
C) Assets under administration (market value)	**541.974.407**	**465.456.335**	**76.518.072**	**16,44%**		
of which Bac Investments SG funds	*171.741.705*	*131.727.382*	*40.014.323*	*30,38%*		
of which Subordinated loan	-	*2.395.000*	*-2.395.000*	*-100,00%*		
Total indirect deposits (B+C), excluding cash	**833.197.598**	**716.544.973**	**116.652.625**	**16,28%**		
Tota deposits	**1.555.534.215**	**1.405.172.066**	**150.362.149**	**10,70%**		

* BAC Life S.p.A. securities backing the Technical Provisions have been eliminated and reclassified under Other Assets in the Balance Sheet, amounting to €102.934 million (2025) and €95.072 million (2024).

Results for the year and performance for the period

Consolidated profit and loss account

Composition of the result for the period[2]

The Consolidated Income Statement closed with a profit for the year of €6.676 million, an increase of 37.07% compared with the consolidated performance for the previous year, which recorded a profit of €4.870 million (+€1.806 million), despite being affected by a significantly higher income-tax component, which amounted to €1.353 million in the current year, compared with €0.574 million in the previous year (+135.47%).

Profit before the allocation to the Fund for General Financial Risks and income taxes recorded an even more marked improvement, amounting to €8.042 million, an increase of 47.38% compared with the previous year (+€2.585 million).

This result was supported by the resilience of net interest income, mainly due to the lower interest expense compared with the previous year, reflecting the gradual decline in interest rates already underway since 2024. Dividends on equity securities decreased (-€0.057 million, -54.05%). Overall, the financial margin decreased by €0.211 million (-1.40%), while the services margin recorded a robust increase of €0.588 million (+5.45%), driven by the significant fee and commission components generated at Group level, which offset the lower, although still positive, performance recorded under profits and losses from financial transactions. The intermediation margin, influenced by the contribution of the insurance company BAC Life S.p.A., which recorded an improvement in Profit/Loss from Insurance Operations and Net Premiums, increased by €1.425 million (+5.34%) compared with the previous year.

Operating costs, amounting to €16.771 million, decreased slightly compared with the previous year (-0.22%), as a result of the careful cost-monitoring policies implemented across all Group companies, despite personnel expenses increasing by €0.289 million (+3.16%). The item reflects the contractual salary increases granted to employees and officers following the renewal of the National Collective Labour Agreement (CCNL) in 2024; the increase in labour costs resulting from the new contractual salary scales was mitigated by the reduction in headcount during 2025, which brought the total number of employees across the Group[3] to 117 (-3 employees). The profitability achieved supported the recognition of substantial net impairment losses on loans amounting to €4.209 million, which include the accrued portion of the Parent Company's AQR impairment adjustments, as well as further provisions for risks and charges amounting to €0.269 million.

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[2] The figures presented refer to the reclassified profit and loss account.

[3] The number of employees is determined by applying the consolidation rules applicable to the company to which they belong.

Consolidated statement of assets and liabilities

Loans and advances to customers

Net loans and advances to customers amounted to €270.227 million, an increase of €10.757 million compared with the previous year (+4.15%).

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Total gross loans	**280.611.284**	**270.503.292**	**10.107.992**	**3,74%**	**100,00%**	**100,00%**
Analytical and flat-rate value adjustments	**10.383.614**	**11.032.932**	**-649.318**	**-5,89%**	**3,70%**	**4,08%**
of which Analytical adjustments on doubtful loans	*8.795.822*	*9.586.215*	*-790.393*	*-8,25%*	*3,13%*	*3,54%*
Coverage ratio	**3,70%**	**4,08%**	**-**	**-**	**-**	**-**
Total loans net of specific and general write-downs	**270.227.671**	**259.470.360**	**10.757.311**	**4,15%**	**96,30%**	**95,92%**
Loans net of non-performing loans	**266.526.377**	**254.903.264**	**11.623.113**	**4,56%**	**94,98%**	**94,23%**
Non-performing/performing loans	**5,02%**	**5,77%**	**-**	**-**	**-**	**-**
Non-performing loans net of advances	**14.084.907**	**15.600.028**	**-1.515.121**	**-9,71%**	**5,02%**	**5,77%**
Non-performing loans net of advances	4.354.570	4.838.902	-484.332	-10,01%	1,55%	1,79%
Analytical value adjustments	4.354.570	4.838.902	-484.332	-10,01%	1,55%	1,79%
Coverage ratio	30,92%	31,02%	-	-	-	-
Non-performing loans net of value adjustments	**9.730.337**	**10.761.126**	**-1.030.789**	**-9,58%**	**3,47%**	**3,98%**
Total probable defaults	**17.855.002**	**22.739.909**	**-4.884.907**	**-21,48%**	**6,36%**	**8,41%**
Loss projections	4.424.005	4.659.153	-235.148	-5,05%	1,58%	1,72%
Analytical value adjustments	4.424.005	4.659.153	-235.148	-5,05%	1,58%	1,72%
Coverage ratio	24,78%	20,49%	-	-	-	-
Probable defaults net of value adjustments	**13.430.997**	**18.080.756**	**-4.649.759**	**-25,72%**	**4,79%**	**6,68%**
Total past due and/or overdue	**578.907**	**3.402.763**	**-2.823.856**	**-82,99%**	**0,21%**	1,26%
Loss projections	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%**	**1,23%**
Total impaired credit exposures	**32.518.815**	**41.742.700**	**-9.223.885**	**-22,10%**	**11,59%**	**15,43%**
Loss forecasts on doubtful loans	**8.795.822**	**9.586.215**	**-790.393**	**-8,25%**	**3,13%**	**3,54%**
Value adjustments	**8.795.822**	**9.586.215**	**-790.393**	**-8,25%**	**3,13%**	**3,54%**
Coverage ratio	**27,05%**	**22,97%**	**-**	**-**	**-**	**-**
Unlikely-to-pay exposures net of impairment losses	**23.722.993**	**32.156.485**	**-8.433.492**	**-26,23%**	**8,45%**	**11,89%**
Total performing loans	**248.092.469**	**228.760.592**	**19.331.877**	**8,45%**	**88,41%**	**84,57%**
Value adjustments	**1.587.792**	**1.446.717**	**141.075**	**9,75%**	**0,57%**	**0,53%**
Coverage ratio	**0,64%**	**0,63%**	**-**	**-**	**-**	**-**

Credit quality

Gross non-performing loans at the end of 2025 amounted to €32.518 million, a decrease of €9.224 million compared with the previous year (-22.10%), representing 11.59% of total loans compared with 15.43% as at 31/12/2024.
Bad debts (at gross values) represented 5.02% of total loans and advances to customers (5.77% as at 31/12/2024), with a nominal value of €14.084 million, a decrease of €1.515 million (-9.71%).
As a result of the impairment losses recognised during the year[4], the coverage ratio for non-performing loans amounted to 27.05%.
Performing loans ("in bonis") amounted to €248.092 million (€228.760 million as at 31/12/2024), recording an increase of 8.45%; an impairment rate of 0.64% was applied to these loans, in line with the findings of the historical and statistical analysis carried out on the transition matrices.
Total loans and advances to customers amounted to €280.611 million and were subject to impairment losses of €10.384 million; the overall coverage ratio was therefore 3.70%, compared with 4.08% as at 31/12/2024.
During the year, the Parent Company continued its policy of close monitoring and recovery of non-performing positions, contributing to the reduction described above.

[4] In calculating the coverage of the loans referred to in this paragraph, the additional minimum capital coverage calculated for Prudential Supervision purposes (so-called Calendar Provisioning) was not taken into account; the percentages indicated therefore refer solely to impairment losses recognised in the Profit and Loss Account.

Customer assets under administration

The year just ended recorded total customer funds of €1,555.534 million (including the Depositary Bank activities carried out for BAC Investments SG S.p.A.), an increase of 10.70% compared with the previous year, with growth across direct funding, managed assets and assets under administration.
The following table presents customers' financial assets; compared with the requirements of BCSM Regulation No. 2016/02, the Managed Assets aggregate also includes BAC Investments SG S.p.A. funds and BAC Life S.p.A. insurance policies distributed through the Parent Company's distribution network.

Customer funds

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
A) Direct deposits	**722.336.618**	**688.627.093**	**33.709.524**	**4,90%**	**100%**	**100%**
Savings deposits	1.058.219	1.238.497	-180.278	-14,56%	0,15%	0,18%
Customer current accounts in euros and foreign currency	455.951.640	431.335.383	24.616.257	5,71%	63,12%	62,64%
Repurchase agreements	21.199.199	31.568.674	-10.369.475	-32,85%	2,93%	4,58%
Other funds	62.712.897	54.183.575	8.529.322	15,74%	8,68%	7,87%
Certificates of deposit	180.688.865	166.875.803	13.813.062	8,28%	25,01%	24,23%
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%	-	0,35%
B) Managed deposits (market value)	**297.496.951**	**259.170.482**	**38.326.469**	**14,79%**		
of which cash	*6.273.760*	*5.686.844*	*586.916*	*10,32%*		
of which Subordinated Loan	-	-	-	-		
C) Assets under administration (market value)	**541.974.407**	**465.456.335**	**76.518.072**	**16,44%**		
of which BacInvestments SG funds	*171.741.705*	*131.727.382*	*40.014.323*	*30,38%*		
of which subordinated loan	-	*2.395.000*	*-2.395.000*	*-100,00%*		
Total indirect deposits (B+C), excluding cash	**833.197.598**	**716.544.973**	**116.652.625**	**16,28%**		
Total deposits	**1.555.534.215**	**1.405.172.066**	**150.362.149**	**10,70%**		

*BAC Life S.p.A. securities backing the Technical Provisions have been eliminated and reclassified under Other Assets in the Balance Sheet, amounting to €102.934 million (2025) and €95.072 million (2024).

Direct deposits amounted to €722.336 million, an increase of €33.709 million (+4.90%) compared with the end of 2024. The aggregate recorded growth supported by the confidence placed in the Group.
Indirect deposits amounted to €833.197 million, including managed assets, and increased by €116.652 million (+16.28%) compared with the 2024 figure of €716.544 million. Particularly noteworthy was the result achieved in managed assets, which increased by 14.79% compared with the previous year, demonstrating customers' appreciation of the wealth-management products offered by the BAC Group.

Shareholdings

DESCRIPTION	31/12/2025	31/12/2024	CHANGE		COMPOSITION	
			Absolute	%	31/12/2025	31/12/2024
Unconsolidated shareholdings	5.002.491	5.002.491	-	-	100,00%	100,00%
Total shareholdings	**5.002.491**	**5.002.491**	**-**	**-**	**100,00%**	**100,00%**

The investee companies included within the scope of consolidation have been described in the relevant section of this Report and in the Explanatory Notes to the Consolidated Financial Statements.
The value of equity investments not included within the scope of consolidation, because they represent minority interests, did not change during the year.
For details of unconsolidated companies, reference should be made to Section 6 of the Explanatory Notes to the Consolidated Financial Statements.

Foreign branches

There are no branches outside the territory of San Marino.

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

DESCRIPTION	Parent company equity	Reallocation of dividends from subsidiaries 2024	Reallocation of revaluation reserves	Reversal of dividends 2024	Aggregation of profits/losses of subsidiaries	Amortisation of positive consolidation difference	Negative consolidation difference	Elimination of treasury shares against the reserve for treasury shares	Consolidated net equity
Capital and reserves	**96.938.233**	**-**	**-**	**-**	-	-	-	-	97.831.895
Share capital – subscribed and paid-up shares	20.880.080	-	-	-	-	-	-	-	20.880.080
Ordinary reserve	49.069.046	-	-	-	-	-	-	-	49.069.046
Extraordinary reserve	-	-	-	-	-	-	-	-	-
Share premium reserve	-	-	-	-	-	-	-	-	-
Treasury shares reserve	14.378	-	-	-	-	-	-	-14.378	-
Other reserves	7.090.602	394.672	1.137.240	-	-	-	513.369	-	9.135.883
General financial risk fund	1.700.000	-	-	-	-	-	-	-	1.700.000
Revaluation reserves	18.184.127	-	-1.137.240	-	-	-	-	-	17.046.886
Loss carried forward	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	5.232.381	-	-	-394.672	1.868.121	-29.721	-	-	6.676.109
Net Equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	40.995
Total	**102.170.614**	**394.672**	**-**	**-394.672**	**1.868.121**	**-29.721**	**513.369**	**-14.378**	**104.548.999**

This table describes the items comprising consolidated Shareholders' Equity and consolidated profit for the year, showing the consolidation adjustments from the Parent Company's Shareholders' Equity and profit for the year.

Share capital

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

Treasury shares

The number of treasury shares was 553, with a nominal value of €14,378, corresponding to 0.07% of subscribed capital. As required by applicable legislation, the Parent Company BAC established a specific reserve of an equal amount in respect of the treasury shares held in its portfolio.

Risk management and supporting control methods

The Internal Control System (hereinafter also the "ICS") consists of the set of rules, procedures and organisational structures intended to ensure compliance with corporate strategies and the achievement of effectiveness and efficiency in business processes, the safeguarding of asset values, the reliability and integrity of accounting and management information and the compliance of operations with the entire applicable regulatory framework.

The Parent Company structured its Internal Control System to ensure that operations are conducted in accordance with sound and prudent management principles and with effective risk oversight, in line with the strategies and policies adopted, enabling the achievement of corporate objectives in accordance with plans, procedures and internal regulations, as well as with the law and supervisory regulations.

In particular, the following functions have been established within the Parent Company:

Internal Auditing, which is responsible for assessing the completeness, adequacy and functionality of the Internal Control System and for bringing possible improvements to risk-management policies, measurement tools and procedures to the attention of the Board of Directors and the Head of the Executive Structure. Internal Auditing also aims to contribute to the protection of the Group's assets and stability, including through coordination with the control functions of investee companies that may have been outsourced to external companies;

Risk Management, which is responsible for second-level controls in the area of risk management. In particular, it contributes to defining risk-measurement methodologies, verifies compliance with the limits assigned to the various operating units and monitors the consistency of the activities of the individual business areas with their assigned risk-return objectives. The Risk Management function maintains an overall view of all risks assumed by the Bank and, more generally, by the Group;

Compliance Officer, responsible for verifying the regulatory compliance of the Parent Company and, where applicable, the Subsidiaries with legislative, statutory and supervisory provisions, ensuring that Internal Regulations comply with those provisions;

Anti-Money Laundering Officer, responsible for managing internal reports, carrying out further investigations into them and analysing transactions performed by customers in order to identify and obtain the information required for a complete analysis of account movements and, where the relevant conditions are met, forwarding the required information to the Financial Intelligence Agency (AIF).

Significant events occurring after the end of the financial year

Among the significant events occurring after the reporting date, it should be noted that the Parent Company's Shareholders' Meeting, held on 23 March 2026, approved the purchase of the entire shareholding held by Euro Holding S.p.A., corresponding to 10.35% of BAC's share capital. The transaction was completed on the same date, after having been presented in advance to the Supervisory Authority, and resulted in an increase in the treasury-shares reserve by the corresponding amount of €3.240 million.
Furthermore, during the current half-year, the Parent Company's Board of Directors resolved to purchase the 49% interest in the subsidiary San Marino Finanza e Previdenza S.r.l., following agreements reached with the shareholder Finanza e Previdenza S.r.l., which holds that interest. The transaction, which is subject to prior authorisation by BCSM, is expected to be completed during 2026 and will result in the Parent Company holding 100% of the Company.

Business outlook

The Group's business model remained unchanged during the current year. The performance recorded during the period confirms the maintenance of adequate profitability and capital-strength profiles, in line with the objectives established and with the regulatory adjustments introduced from time to time by the Supervisory Authority, including BCSM Regulation No. 2024/05 on financial investment services.

At the same time, preparatory activities are continuing in view of the entry into force of the Association Agreement with the EU. Its effective date is not yet known, but it represents a significant turning point, bringing important challenges and growth opportunities for both the country and the Group.

San Marino, 29 June 2026

The Chairman of the Board of Directors

03
Financial statements representation

Consolidated statement of assets and liabilities – Assets

CODE	ASSET ITEMS	31/12/2025	31/12/2024 proforma
10	**Cash and cash equivalents with central banks and post offices**	**5.096.685**	**4.211.421**
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**	**95.122.352**	**119.276.310**
	a) At sight	70.291.940	96.208.711
	b) Other receivables	24.830.412	23.067.599
40	**Loans to customers**	**236.385.393**	**219.631.087**
	a) At sight	90.329.084	75.418.660
	b) Other receivables	146.056.309	144.212.427
50	**Bonds and other debt financial instruments**	**311.616.549**	**245.835.440**
	a) Public issuers	142.108.735	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	**Unconsolidated shareholdings**	**5.002.491**	**5.002.491**
	a) Measured at net equity	-	-
	b) Other	5.002.491	5.002.491
80	**Unconsolidated shareholdings in group companies**	**-**	**-**
	a) Measured at net equity	-	-
	b) Other	-	-
90	**Technical reserves borne by reinsurers**	**-**	**-**
100	**Positive consolidation differences**	**267.487**	**407.778**
110	**Intangible fixed assets**	**2.501.030**	**2.644.569**
	a) Financial leasing	262.774	317.140
	of which assets under construction	-	-
	b) Assets awaiting lease	-	-
	of which due to default by the tenant	-	-
	c) Assets available from debt collection	-	-
	of which assets available for credit extinction through a settlement agreement	-	-
	d) Goodwill	-	-
	e) Installation expenses	3.092	5.098
	f) Other intangible fixed assets	2.235.164	2.322.331
120	**Tangible fixed assets**	**150.559.504**	**157.374.691**
	a) Financial leasing	33.579.504	39.521.146
	of which assets under construction	*780.356*	*567.568*
	b) Assets awaiting lease	-	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 through a settlement agreement	*88.839.874*	*88.851.187*
	d) Lands and buildings	27.096.869	27.962.897
	e) Other tangible fixed assets	1.043.257	1.038.474
130	**Capital subscribed and not paid-in**	**-**	**-**
	of which Called-up capital	-	-
140	**Own shares or quotas**	**-**	**-**
150	**Other assets**	**350.317.459**	**343.613.685**
160	**Accrued income or prepaid expenses**	**763.255**	**1.260.372**
	Accrued income	298.023	475.146
	Prepaid expenses	465.232	785.226
170	**Total assets**	**1.177.238.835**	**1.117.481.497**

Consolidated statement of assets and liabilities – Liabilities

CODE	LIABILITY ITEMS	31/12/2025	31/12/2024 proforma
10	**Amounts due to Banks**	**4.465.200**	**5.275.248**
	a) At sight	2.773.254	2.973.492
	b) Term or without notice	1.691.946	2.301.756
20	**Amount due to customers**	**540.921.956**	**518.326.129**
	a) At sight	457.173.822	432.709.564
	b) Term or 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**	**100.708.318**	**87.332.537**
	of which Checks in circulation and similar securities	*725.797*	*1.024.173*
50	**Accrued expenses and deferred income**	**273.203**	**452.252**
	a) Accrued expenses	-	-
	b) Deferred income	273.203	452.252
60	**Severance**	**570.614**	**581.736**
70	**Provisions for risks and charges**	**2.968.921**	**2.056.106**
	a) Provisions for pensions and similar obligations	-	-
	b) Tax reserves	1.354.461	597.999
	c) Consolidation fund for future risks and charges	-	-
	d) Other reserves	1.614.460	1.458.107
80	**Provisions for credit risks**	**630.000**	**625.000**
90	**Technical reserves**	**241.462.759**	**233.955.742**
100	**Provision for general financial risks**	**1.700.000**	**1.423.222**
110	**Subordinate liabilities**	**-**	**2.400.988**
120	**Negative consolidation differences**	**513.369**	**-**
130	**Equity attributable to minority interests**	**40.995**	**38.319**
140	**Subscribed capital**	**20.880.080**	**20.880.080**
150	**Share premium reserve**	**-**	**-**
160	**Reserves**	**57.691.560**	**55.341.010**
	a) Ordinary or legal reserve	49.069.046	50.046.289
	of which Reserve in tax suspension	*1.227.968*	*1.227.968*
	b) Reserve for own shares or quotas	-	-
	c) Statutory reserves	-	-
	d) Other reserves	8.622.514	5.294.721
170	**Revaluation reserves**	**17.046.886**	**17.046.887**
180	**Retained earnings (losses) carried forward**	**-**	**-**
190	**Profit (loss) for the year**	**6.676.109**	**4.870.438**
200	**Total liabilities**	**1.177.238.835**	**1.117.481.497**

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	**Commitments**		**12.075.742**	**16.404.978**
	of which	a) For specific use	9.198.472	13.841.756
		of which Financial instruments	-	-
		b) For unspecific use	1.361.981	1.023.725
		of which Financial instruments	-	-
		c) Other commitments	1.515.289	1.539.497
	Total		**29.332.249**	**31.845.729**

Consolidated profit and loss account

CODE	PROFIT AND LOSS ACCOUNT ITEMS	31/12/2025	31/12/2024
10	**Interest income and similar revenues**	**21.515.400**	**25.024.327**
	a) On loans to credit institutions	1.770.051	3.961.120
	b) On loans to customers	10.990.188	14.025.841
	c) On debt securities	8.755.161	7.037.366
20	**Interest expense and similar charges**	**6.725.456**	**10.081.016**
	a) On amounts due to credit institutions	77.015	57.969
	b) On amounts due to customers	3.193.958	4.934.674
	c) On liabilities represented by financial instruments	3.454.483	5.088.373
	of which On subordinated liabilities	*65.863*	*71.916*
30	**Dividends and other revenues**	**49.154**	**106.965**
	a) On shares, quotas and other equity securities	49.154	106.965
	b) On shareholdings	-	-
	c) On shareholdings in group companies	-	-
40	**Commission income**	**9.649.807**	**8.490.949**
50	**Commission expense**	**2.335.577**	**2.091.792**
60	**Profits (losses) on financial transactions (+/-)**	**480.461**	**530.934**
70	**Other operating income**	**11.892.086**	**11.897.092**
80	**Other overhead costs**	**59.066**	**72.230**
90	**Net premiums**	**21.129.639**	**29.682.108**
100	**Profit (loss) from insurance operations**	**-19.232.446**	**-28.833.842**
110	**Administrative expenses**	**15.036.122**	**15.134.363**
	a) Personnel expenses	9.435.364	9.146.174
	of which - Wages and salaries	*6.512.655*	*6.329.453*
	- Social security charges	1.808.355	1.708.245
	- Severance	591.636	586.743
	- Pensions and similar obligations	-	-
	- Directors and auditors	*383.943*	*362.248*
	- Other personnel expenses	138.775	159.485
	b) Other administrative expenses	5.600.758	5.988.189
120	**Value adjustments on intangible fixed assets**	**467.079**	**447.583**
130	**Value adjustments on tangible fixed assets**	**9.529.911**	**9.203.739**
140	**Provisions for risks and charges**	**268.938**	**595.351**
150	**Provisions for credit risks**	**5.000**	**14.900**
160	**Value adjustments on loans and on provisions for guarantees and commitments**	**5.506.944**	**6.431.238**
170	**Write-backs on loans and provisions for guarantees and commitments**	**1.302.743**	**2.029.189**
180	**Value adjustments on financial fixed assets**	**26.580**	**-**
190	**Write-backs on financial fixed assets**	**3.770**	**98.302**
200	**Profits (losses) of equity-accounted investments**	**-**	**-**
210	**Profit (loss) from ordinary activities**	**6.829.941**	**4.953.812**
220	Extraordinary income	1.830.496	916.669
230	Extraordinary costs	341.301	413.568
240	**Extraordinary profit (loss)**	1.489.195	503.101
250	**Use of the consolidation fund for future risks and charges**	-	-
260	Taxes for the year	1.352.804	574.510
270	Change in the provision for general financial risks	-276.778	-
280	Profit (loss) for the year attributable to minority interests	13.445	11.965
290	**Profit (Loss) for the year**	**6.676.109**	**4.870.438**

04
Explanatory notes

Explanatory notes to the consolidated financial statements 31/12/2025

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Structure and content of the consolidated financial statements

These Consolidated Financial Statements have been prepared in accordance with the provisions of Regulation No. 2016/02 concerning the preparation of the separate and consolidated financial statements of authorised entities, issued on 31 August 2016 by the Central Bank of the Republic of San Marino (hereinafter also "BCSM"), pursuant to Article 39 of Law No. 165 of 17 November 2005. The above Regulation was amended by BCSM Regulation No. 2023/04, which introduced the mandatory preparation of Consolidated Financial Statements from the 2024 financial year onwards.
In preparing the Consolidated Financial Statements, particular attention was paid, both in form and in substance, to clarity and to providing a true and fair representation of the actual assets and liabilities, financial position and financial performance for the year of the Banca Agricola Commerciale S.p.A. Group. The valuation criteria established by the legislation in force were also applied.
The Consolidated Financial Statements comprise the Statement of Assets and Liabilities, divided into assets and liabilities, Guarantees and Commitments, the Profit and Loss Account prepared in vertical format and the Notes to the Consolidated Financial Statements. They are also accompanied by the Consolidated Management Report and the Consolidated Auditor's Report.

The Statement of Assets and Liabilities and Profit and Loss Account formats consist of items (identified by Arabic numerals), sub-items (identified by letters) and further disclosures (the "of which" details relating to items and sub-items). The items, sub-items and related disclosures constitute the financial statement accounts.
New items may be added, provided that their content cannot be attributed to any of the items already included in the prescribed formats and only where the amounts are material. Further information is provided in the Explanatory Notes to the Consolidated Financial Statements.
The sub-items provided for in the prescribed formats may be combined where either of the following conditions applies:

a. the amount of the sub-items is immaterial;
b. combining the sub-items improves the clarity of the financial statements; in this case, the Notes to the Consolidated Financial Statements must disclose separately the sub-items that have been combined.

For each account in the Statement of Assets and Liabilities and the Profit and Loss Account, the corresponding amount for the previous financial year is also shown. Where the accounts are not comparable, the figures relating to the previous financial year must be adjusted; the lack of comparability and the adjustment made, or the impossibility of making such an adjustment, must be disclosed and explained in the Explanatory Notes to the Consolidated Financial Statements.
The tables in the Notes to the Consolidated Financial Statements present the figures for the current financial year together with the comparative figures for the previous financial year.

The Statement of Assets and Liabilities and the Profit and Loss Account also include accounts with zero balances, both for the financial year to which the financial statements relate and for the previous financial year.
Where an asset or liability falls under more than one item in the Statement of Assets and Liabilities, the Notes to the Consolidated Financial Statements must indicate, where necessary for an understanding of the financial statements, that it is also attributable to items other than the one under which it is recognised.
The various items in the Consolidated Financial Statements correspond to the accounting records of the companies included within the scope of consolidation, prepared in accordance with the various transactions and events occurring during the financial year.
In general, no circumstances arose requiring changes to the presentation of the financial statement items or to the related criteria compared with the previous financial year. Where changes occurred, specifically in relation to equity investments, detailed information was provided in the analysis of the individual items.
The Consolidated Financial Statements and the Notes to the Consolidated Financial Statements are prepared in euro units, without decimal figures. Income and expenses are recognised in accordance with the accrual principle, irrespective of the date of receipt or payment, and in accordance with the principle of prudence. The latter principle takes precedence, provided that this does not result in the creation of undisclosed reserves.
In order not to reduce the informational content of the consolidated financial statement figures, and in application of the principles of truthfulness and clarity, no offsetting of items has been carried out.
Impairment and depreciation or amortisation of assets are recognised solely by directly reducing the carrying amount of the relevant assets.
Assets acquired in the name and on behalf of third parties are not included in the financial statements.
The tables in the Explanatory Notes to the Consolidated Financial Statements provided for in Implementing Circular No. 2017/03 to BCSM Regulation No. 2016/02 are not included in this document where they contain zero balances and are not significant for illustrating the stock and flow data relating to the Group's activities.

PART A - Accounting principles

Section 1 - Illustration of accounting principles

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

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

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

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

These represent all loans to banks, net of any write-downs, regardless of their technical form, except for those represented by financial instruments reported under item 50 "Bonds and other debt securities."
Included here are the amounts of reverse repurchase agreements and buy/sell back transactions in which the acquiring bank is required to resell the securities to the transferor Parent Company. The amount recorded corresponds to the spot purchase price. The transferred assets remain on the transferor's balance sheet.

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

This item includes loans arising from financing contracts with customers, in any technical form, provided that disbursement has actually occurred. Loans not yet disbursed, although recorded in contractual-date accounting systems, are not included under this item but rather under commitments. Loans represented by financial instruments are reported under item 50 "Bonds and other debt financial instruments".
Partial payments received for past-due or non-performing loans reduce the carrying amount of the loans. Advance payments received for loans not yet due are recorded under "due to customers" or "other liabilities", depending on whether they bear interest.
This item also includes receivables arising from finance lease agreements for lease payments due and not yet received and related receivables for interest on arrears.
"Loans to customers" include the equivalent value of carry-over and repurchase agreements, in which the customer is obliged to repurchase the securities sold to the bank at a future date. The amount recorded is equal to the price paid at the time of sale.
Loans are recorded in the financial statements at their estimated realizable value.

The following are the aggregates included in this item:

Non-performing loans: are a category of loans, regardless of the expectation or otherwise of possible losses, made to borrowers in a state of insolvency, even if not legally ascertained, or in similar situations. This item represents the full exposure, including interest recorded and the expenses incurred for collection activities, adjusted by the portion of interest that is considered unrecoverable. Non-performing loans are valued analyzing the likelihood of their recovery on an analytical basis and calculating the relative presumed loss.

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

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

a. €100 for retail exposures and €500 for non-retail exposures (absolute threshold);
b. 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 50 in the consolidated balance sheet)

The own securities portfolio is comprised of investment securities held for investment properties and trading securities held for treasury and trading.
This item shows all the financial debt instruments in the bank's portfolio, both long- and short-term, such as government securities, bonds, certificates of deposit and the other fixed or variable income financial instruments, which are index-linked on the basis of predetermined parameter (e.g., the interbank interest rate).
The securities include only reacquired and tradable securities issued by the bank itself.
The financial instruments in the investment portfolio and the trading portfolio are recorded in the assets for an amount that includes (excludes) the accrued portion of the negative (positive) differences between the purchase cost and the repayment value upon the maturity of the same financial instruments.
The valuation of non-fixed financial instruments, as required by Article IV.I.1 paragraph 3 of BCSM Regulation no. 2016/02, is based on the market value as of the balance sheet closing date.
The financial instruments are considered as financial fixed assets and therefore subject to the valuation rules pursuant to article III.II.4 of CBSM Regulation 2016/02, only if they are destined to stable investments by the bank.
More specifically:

- fixed financial instruments represent long-term investments and are acquired within the parameters defined by the Governing Body. The closing balance of fixed securities is measured at cost, including any capitalisation discounts relating to 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 price and the lower/higher redemption value of the security. Where there is a lasting deterioration in the issuer's creditworthiness, as well as in the debt-repayment capacity of the issuer's country of residence, fixed securities are impaired. Other impairment losses may be recognised to take account of:
  - market quotations, in the case of securities listed on organised markets;
  - market trends, in the case of other securities. Impairment losses recognised for permanent losses in value are reversed where the reasons giving rise to them no longer apply.
- Non-fixed financial instruments are held for trading or treasury purposes; they are measured at fair value pursuant to Article III.II.5, paragraph 5, of BCSM Regulation No. 2016/02:
  a. for listed financial instruments, fair value or market value is represented by the quoted price, namely the market value recorded at the financial year-end date, with both negative and positive valuation differences recognised in the Profit and Loss Account, as provided for by Article IV.I.1, paragraph 3, of BCSM Regulation No. 2016/02;
  b. for unlisted financial instruments, market value is determined on the basis of the value of similar listed and unlisted instruments or, where this is not possible, on the basis of reasonable estimates;
  c. for the Bank's treasury shares held in its portfolio, at nominal value.

Cost is determined using the "continuous weighted-average cost" method on a daily basis, adjusted by the accrued portion of the net issue discount. Any negative and positive valuation differences, the latter only in respect of listed

securities, arising from the comparison between the continuous weighted-average cost, as specified above, and market value are recognised in the Profit and Loss Account.
Further allocations to the fixed portfolio may be permitted on the basis of specific regulatory measures, in respect of which adequate and comprehensive disclosure is provided.

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

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

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

Shareholdings in other companies that are neither controlled nor consolidated, and that qualify as financial fixed assets, are valued at purchase cost.
These shareholdings are written down in the event of a lasting deterioration in the issuer's condition and are reversed if the reasons for the impairment no longer apply.
Dividends paid by companies with the above characteristics are accounted for on a cash basis, meaning they are recognized in the period in which they are declared, which normally coincides with the period in which they are received.

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

Intangible fixed assets are recorded in the balance sheet at cost, including accessory charges, and are amortized over a period not exceeding five years. For assets subject to rapid technological obsolescence, a three-year amortization period is applied.
The cost of intangible fixed assets is amortized each year through direct adjustments to the value of the assets, based on their remaining useful life, and in accordance with the tax depreciation rates set by Law no. 166/2013.

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

Tangible fixed assets are recognized at purchase cost, inclusive of additional charges and any other incremental expenses.
Assets are depreciated systematically by directly adjusting their value using the rates established by the tax Law no. 166 of 16/12/2013, deemed appropriate and representative of the value corresponding to the residual useful life of the asset.
If assets demonstrate an impairment value which is lower than its cost, this is written down. Should the assumptions supporting the original write-down no longer subsist, write-downs made in previous periods are not maintained.
No depreciation is applied to non-instrumental assets returned to ownership following early termination of leasing contracts.

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

The amount of assets leased out (and those awaiting financial lease) is recorded under item 110 - Intangible Fixed Assets if the asset is intangible, or under item 120 - Tangible Fixed Assets if the asset is tangible.
Loans relative to financial lease transactions are calculated according to the financial methodology and are recorded in the assets as the algebraic balance obtained from the difference between the financed capital or historic cost of the asset and the relative accumulated depreciation; the latter increases thanks to the principal of the various instalments accrued. Furthermore, the instalments accrued during the year are entered under interest income and similar revenues for the part regarding the interest, and under other operating income for the part regarding the capital. At the same time, the bank reduces the value of the leased asset by the principal, posting a cost (equal to the principal) in the profit and loss account and directly reducing the value of the leased asset.
At year-end, the recognized cost is posted to item 120 "Value adjustments of intangible fixed assets" or item 130 "Value adjustments of tangible fixed assets," depending on the nature of the leased asset.

Treasury shares or units (asset item 140 in the consolidated balance sheet)

The amount recognised under item 140 of assets indicates the existence of shares or units in the Parent Company held by subsidiaries included in the consolidation. Treasury shares held by the Parent Company were eliminated against item 160 b) of the liabilities section of the Statement of Assets and Liabilities – Reserve for Treasury Shares or Units. This reclassification was also applied to the 2024 figures in order to ensure comparability between the financial years.

Assets and liabilities in foreign currency

Foreign-currency assets and liabilities and off-balance-sheet transactions are measured at the spot exchange rate prevailing at the financial year-end date.
The difference between the current value of assets, liabilities and off-balance-sheet transactions and their carrying amount is recognised in the Profit and Loss Account under item 60 "Profits (Losses) from Financial Transactions".

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

This item shows all the amounts due to national or foreign banks whatever their technical form, except for those represented by bonds or other securities which require to be posted under liability item no. 30 and 110.
The amounts due to banks include the equivalent value of the financial instruments received by the selling bank as spot in repo and carry-over transactions for which the transferee bank is obliged to forward resale.

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

This item shows all the amounts due to customers whatever their technical form, except for those represented by financial instruments which require to be posted under liability item no. 30 or 110.
The amounts due to customers include the equivalent value of the financial instruments received by the selling bank as spot in repo and carry-over transactions for which the transferee customer is obliged to forward resale.

The above items are recorded at nominal value.

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

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

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

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

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

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

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

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

Other financial investments, such as bond securities issued by top-rated issuers held by BAC Life S.p.A., which, correspondingly, are matched under technical reserves on the liabilities side of the balance sheet, covering the policyholders.

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

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

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

Severance (liability item 60 in the consolidated balance sheet)

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

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

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

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

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

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

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

The technical reserves for contracts in the portfolio at the end of the financial year were calculated gross of reinsurance cessions and on the basis of the actuarial equivalence principle of future commitments.
The calculation formulas are those contained in the notes and technical reports kept by the insurance company BAC Life Spa.
All technical reserves in the financial statements were calculated individually for each contract, by year of effect, within each year of effect by tariff type, for all policies in force at the end of the financial year.

General financial risk fund (liability item 100)

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

Reserves (liability item 160)

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

Guarantees given (item 10)

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

Commitments (item 20)

This item includes all the irrevocable commitments of specific or unspecific use, which may lead to credit risks (e.g., the margins available on irrevocable credit lines granted to customers or banks).
The commitments arising from derivative contracts are valued on the basis of their notional value.

Interest, commissions, charges and income

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

Deferred taxes

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

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

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

PART B – Scope of Consolidation

Scope of consolidation

In compliance with Article VII.II.2, paragraph 1, of BCSM Regulation No. 2016/02, these Consolidated Financial Statements include the following companies under the full consolidation method, together with the respective ownership interests:

- BAC Life Spa, 100%;
- BAC Investments SG Spa, 100%;
- BAC Trustee Spa, 100%;
- BAC Real Estate Srl, 100%,
- San Marino Finanza e Previdenza Srl, 51%.

Pursuant to Article VII.II.8, paragraph 1, the following investee companies, in which an ownership interest of less than or equal to 50% and greater than or equal to 20% is held, are included within the scope of consolidation under the proportionate consolidation method:

- Società Servizi Informatici Sammarinese S.S.I.S. Spa, 50%;
- NCO Immobiliare Srl, 50%;
- Centro Servizi Srl, 33,33%;
- S3-Special Servicer Sammarinese Srl, 33%.

The consolidation procedures may generate consolidation differences: positive where the equity investment is recognised in the Parent Company's financial statements at an amount exceeding the corresponding proportionate share of Net Equity, or negative where, conversely, the equity investment is recognised in the Parent Company's financial statements at an amount lower than the corresponding proportionate share of Net Equity.

Table 1.1: "Changes in the scope of consolidation"

No changes occurred within the scope of consolidation during the 2025 financial year.

Table 1.2: "Changes in investments accounted for using the equity method"

Data not present.

Table 1.3: "Investments in group companies"

Company name	Registered office	Type of company	Type of relationship	Rapporto di partecipazione		Voting rights availability %	Book value
					Share %		
A. Companies included in consolidation							
A1. Full method							
1. BAC Life Spa	Via Tre Settembre n° 316 47891 Dogana RSM	Insurance company+D183:D187	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	6.785.630
2. BAC Investments SG Spa	Via Tre Settembre n° 316 47891 Dogana RSM	Other financial institutions	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	565.598
3. BAC Trustee Spa	Via Tre Settembre n° 316 47891 Dogana RSM	Other non-financial companies	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	211.614
4. BAC Real Estate Srl	Via Tre Settembre n° 316 47891 Dogana RSM	Other non-financial companies	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	100%	100%	261.742
5. San Marino Finanza e Previdenza Srl	Via Tre Settembre n° 316 47891 Dogana RSM	Other non-financial companies	Majority of voting rights in the ordinary shareholders' meeting	Banca Agricola Commerciale Spa	51%	51%	27.429
A2. Proportional method							
Società Servizi Informatici Sammarinese S.S.I.S Spa	Strada Cardio, 22 47899 Serravalle RSM	Other non-financial companies	Joint control	Banca Agricola Commerciale Spa - Cassa di Risparmio della Repubblica di San Marino Spa	50%	50%	275.138
NCO Immobiliare Srl	Via III Settembre, 99 47891 Dogana RSM	Other non-financial companies	Joint control	Banca Agricola Commerciale Spa - Banca di San Marino Spa	50%	50%	177.703
Centro Servizi Srl	Via XXV Marzo, 58 47895 Domagnano RSM	Other non-financial companies	Joint control	Banca Agricola Commerciale Spa	33,33%	33,33%	333.333
S3 - Special Servicer Sammarinese Srl	Piazza Bertoldi, 8 47899 Serravalle RSM	Other financial institutions	Joint control	Banca Agricola Commerciale Spa	33%	33%	8.415

PART C – Information on the statement of assets and liabilities

Information on the statement of assets and liabilities – Assets

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

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Cash and cash equivalents:				
Vault cash	3.916.749	3.113.506	803.243	25,80%
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	**5.096.685**	**4.211.421**	**885.264**	**21,02%**

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

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

Data not present.

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

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

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight:	**62.602.735**	**7.689.205**	**70.291.940**	**91.752.877**	**4.455.834**	**96.208.711**	**-25.916.771**	**-26,94%**
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	3.023.678	7.689.205	10.712.883	5.618.292	4.455.834	10.074.126	638.757	6,34%
A3. Others	-	-	-	-	-	-	-	-
B) Other receivables:	**24.830.412**	**-**	**24.830.412**	**23.067.599**	**-**	**23.067.599**	**1.762.813**	**7,64%**
B1. Fixed deposits	24.830.412	-	24.830.412	23.067.599	-	23.067.599	1.762.813	7,64%
B2. Active current accounts	-	-	-	-	-	-	-	-
B3. Repurchase agreement and active carryovers	-	-	-	-	-	-	-	-
B4. Others	-	-	-	-	-	-	-	-
Total			**95.122.352**			**119.276.310**	**-24.153.958**	**-20,25%**

A decrease of €25,916,771 was recorded under item A) "On demand", while item B) "Other receivables" increased by €1,762,813, resulting in an overall decrease of €24,153,958. The change reflects the Parent Company's management policies, in compliance with the safeguards established to protect against liquidity risk under the current internal RAF Regulation (Risk Appetite Framework).

Item B1. "Term deposits" relates exclusively to the Parent Company and includes: the term deposit for the Compulsory Reserve, the term deposit relating to the 2022-2025 contributions to the Depositors' Guarantee Fund, the deposit securing transactions routed through BCSM, and additional term deposits placed with two Credit Institutions as security for the reciprocal contractual obligations undertaken (correspondingly, deposits placed with the Parent Company by the same Credit Institutions are recognised for an equal amount under item 10 of liabilities). Lastly, term deposits include the Escrow Account established as security for payments relating to the Senior-class securities arising from the system-wide securitisation of NPLs pursuant to Law No. 157/2021, as subsequently amended and supplemented, 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	-	-	-	-	-	-	-	-
of which Deposits with central banks and demand deposits with other credit institutions	-	-	-	-	-	-	-	-
A1. Non-performing loans	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
A2. Probable defaults	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
A3. Past due and/or overdue	-	-	-	-	-	-	-	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
B) Performing credit exposures	**95.122.352**	-	**95.122.352**	-	**119.276.310**	-	**119.276.310**	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Past due and/or overdue	-	-	-	-	-	-	-	-
of which Arising from financial leasing transactions	-	-	-	-	-	-	-	-
Total	**95.122.352**	-	**95.122.352**	-	**119.276.310**	-	**119.276.310**	-
of which Subject to concessionary measures	-	-	-	-	-	-	-	-
of which Past due and/or overdue	-	-	-	-	-	-	-	-
of which Arising from financial leasing operations	-	-	-	-	-	-	-	-
of which Deposits with central banks and on-demand deposits with other credit institutions	94.671.447	-	94.671.447	-	118.235.766	-	118.235.766	-

(*) Value to be displayed for disclosure purposes.

Table 3.3: dynamics of doubtful loans to credit institutions

CATEGORIES / VALUES	31/12/2025		
	Non-performing credit exposures		
	Non-performing loans	Probable defaults	Past due and/or overdue
A) Initial gross exposure	**-**	**-**	**-**
of which For default interest	-	-	-
B) Increase	**-**	**-**	**-**
B1. Inflows from performing credit exposures	-	-	-
B2. Inflows from other categories of impaired credit exposures	-	-	-
B3. Interest on arrears	-	-	-
B4. New concessions	-	-	-
B5. Other increases	-	-	-
C) Decrease	**-**	**-**	**-**
C1. Outflows to performing credit exposures	-	-	-
C2. Outflows to other categories of impaired credit exposures	-	-	-
C3. Write-offs	-	-	-
C4. Collections/repayments	-	-	-
C5. Realizations for disposals	-	-	-
C6. Other decreases	-	-	-
D) Final gross exposure as of 31/12/2025	**-**	**-**	**-**
of which For interest on arrears	-	-	-

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

Data not present.

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

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

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
A) At sight / revocation	**87.813.724**	**2.515.360**	**90.329.084**	**74.660.459**	**758.201**	**75.418.660**	**14.910.424**	**19,77%**
A1. Active current accounts	9.209.658	88	9.209.746	9.587.102	202	9.587.304	-377.558	-3,94%
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	**146.047.822**	**8.487**	**146.056.309**	**143.935.860**	**276.567**	**144.212.427**	**1.843.882**	**1,28%**
B1. Active current accounts	2.768.025	-	2.768.025	2.896.991	-	2.896.991	-128.966	-4,45%
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	141.763.189	8.487	141.771.676	138.118.091	276.567	138.394.658	3.377.018	2,44%
Total	**233.861.546**	**2.523.847**	**236.385.393**	**218.596.319**	**1.034.768**	**219.631.087**	**16.754.306**	**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		CHANGE	
	In euro	In foreign currency	In euro	In foreign currency	Amount	%
A) From mortgages	**81.367.783**	**-**	**81.295.184**	**-**	**72.599**	**0,09%**
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	**104.419.253**	**-**	**110.797.904**	**-**	**-6.378.651**	**-5,76%**
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	74.631.889	-	76.622.343	-	-1.990.454	-2,60%
C8. Families and non-profit institutions serving families	6.890.459	-	7.307.443	-	-416.984	-5,71%
C8.1. Consumer and producer families	*6.890.459*	-	*7.307.443*	-	*-416.984*	*-5,71%*
C8.2 Non-profit institutions serving families	-	-	-	-	-	-
C9 Others	-	-	84.080	-	-84.080	-100,00%
Total	**194.212.419**	**-**	**199.453.400**	**-**	**-5.240.981**	**-2,63%**

The table summarises all categories of secured loans, stated at net values. The analysis of the data shows that net loans backed by collateral and personal guarantees represent 71.87% of the total net loans reported in the following Table 4.3; furthermore, 33.23% are secured by collateral (pledges or mortgages).

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**
of which Subject to concessionary measures	*7.118.914*	*472.704*	*6.646.210*	-	*850.449*	*51.367*	*799.082*	-
of which Arising from financial leasing transactions	*5.469.153*	*346.146*	*5.123.007*	-	*10.358.955*	*736.814*	*9.622.141*	-
A 1. 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
of which Subject to concessionary measures	*446.993*	*2.235*	*444.758*	-	-	-	-	-
of which arising from financial leasing transactions	*2.115.548*	*10.773*	*2.104.775*	-	*2.334.696*	*179.117*	*2.155.579*	-
A 2. 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
of which Subject to concessionary measures	*6.289.083*	*460.898*	*5.828.185*	-	*850.449*	*51.367*	*799.082*	-
of which Arising from financial leasing transactions	*3.348.610*	*335.123*	*3.013.487*	-	*4.818.414*	*477.551*	*4.340.863*	-
A 3. Overdue and/or in arrears	578.907	17.247	561.660	-	3.402.763	88.160	3.314.603	-
of which Subject to concessionary measures	*382.838*	*9.571*	*373.267*	-	-	-	-	-
of which Arising from financial leasing transactions	*4.995*	*250*	*4.745*	-	*3.205.845*	*80.146*	*3.125.699*	-
B) Performing credit exposures	**248.092.469**	**1.587.792**	**246.504.677**	**-**	**228.760.592**	**1.446.717**	**227.313.875**	**-**
of which Subject to concessionary measures	*6.096.524*	*39.018*	*6.057.506*	-	*6.019.830*	*37.925*	*5.981.905*	-
of which Past due and/or in arrears	*13.538.166*	*86.644*	*13.451.522*	-	*15.168.963*	*95.565*	*15.073.398*	-
of which Arising from financial leasing transactions	*31.099.961*	*199.040*	*30.900.921*	-	*32.764.348*	*206.415*	*32.557.933*	-
Total	**280.611.285**	**10.383.614**	**270.227.671**	**-**	**270.503.292**	**11.032.932**	**259.470.360**	**-**
of which Subject to concession measures	*13.215.438*	*511.722*	*12.703.716*	-	*6.870.279*	*89.292*	*6.780.987*	-
of which Arising from financial leasing operations	*36.569.114*	*545.186*	*36.023.928*	-	*43.123.303*	*943.229*	*42.180.074*	-

(*) Value to be displayed for disclosure purposes.

The table under review includes, together with so-called traditional loans and advances to customers, receivables arising from finance lease activities. It therefore represents the sum of financial statement items 40 – "Loans and advances to customers", 100 "a) – of which intangible assets under finance leases" and 110 "b) – of which assets awaiting lease", 120 "a) – of which tangible assets under finance leases" and 120 "b) – of which tangible assets awaiting lease".
Nevertheless, the outstanding principal relating to fixed assets subject to lease agreements, stated net of the related accumulated depreciation and amortisation, continues to be recognised under tangible and intangible fixed assets. Finance lease receivables classified as bad debts comprise two main

components: the receivable relating to overdue and unpaid instalments, included in the balances of the items in Table 4.1, and the outstanding principal which, although attributable to the underlying bad debt, remains recognised in the financial statements, pursuant to Law No. 115 of 19/11/2001, under finance lease fixed assets, within the sub-item "assets awaiting finance lease following termination of the lease agreement".
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 Explanatory Notes to the Consolidated Financial Statements.
Cash loans and advances to customers include the subordinated loan to the System Vehicle amounting to €1,413,757 (which increased during the financial year as a result of the distribution of the assets underlying the Loan Management and Odisseo Funds), arising from the Parent Company's participation, as bank originator, in the system-wide securitisation completed in December 2023.

Table 4.4: dynamics of doubtful loans to customers

REASONS / CATEGORIES	31/12/2025		
	Non-performing credit exposures		
	Non-performing loans	Probable defaults	Past due/overdue loans
A) Initial gross exposure	**15.600.028**	**22.739.909**	**3.402.763**
of which For interest on arrears	*62.680*	*365.431*	*60*
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**
of which For interest on arrears	*45.474*	*356.386*	-

Gross non-performing credit exposures decreased by €9,223,885 during the financial year, with a net NPL ratio of 8.78% (12.39% in 2024), confirming the effectiveness of the monitoring activities carried out on loans and advances to customers, as well as the recovery activities relating to non-performing loans.
The loan impairment allowance, amounting to €10,383,614 and reflecting movements during the financial year (provisions, revaluations and utilisations),

provides an accounting coverage ratio of 27.05% for non-performing exposures; with regard to total loans and advances to customers, total coverage amounts to 3.70% of gross loans, of which 0.64% relates to performing loans[5].

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

REASONS / CATEGORIES	31/12/2025			
	Non-performing 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**	**1.446.717**
B) Incremental changes	**146.223**	**408.510**	**17.037**	**756.578**
B1. Value adjustments	128.552	404.390	2.977	437.699
of which For interest on arrears	*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	-	-	-	1.656
C) Changes in decreases	**630.555**	**643.658**	**87.950**	**615.503**
C1. Reversals of valuation adjustments	23.112	119.502	4.849	291.056
of which For interest on arrears	-	-	-	-
C2. Writebacks from collection	206.084	193.529	230	312.572
of which For interest on arrears	-	-	-	-
C3. Cancellations	401.359	6.706	-	-
C4. Transfers to other categories of credit exposure	-	323.921	82.871	4.183
C5. Other decreases	-	-	-	7.692
D) Final total value adjustments as of 31/12/2025	**4.354.570**	**4.424.005**	**17.247**	**1.587.792**
of which For interest on arrears	*45.474*	-	-	-

[5] In calculating loan coverage, the additional minimum capital coverage requirements calculated by the Parent Company for Prudential Supervision purposes (so-called Calendar Provisioning) were not taken into account; therefore, the percentages indicated refer solely to the impairment losses recognised in the Profit and Loss Account.

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	**3.222.905**	**3.097.542**	**125.363**	**4,05%**
- Monetary financial institutions	-	-	-	-
- Investment funds other than monetary market funds	-	-	-	-
- Other financial institutions	3.222.905	3.097.333	125.572	4,05%
- Insurance companies	-	209	-209	-100,00%
- Pension funds	-	-	-	-
C) Non-financial companies	**183.637.186**	**171.082.408**	**12.554.778**	**7,34%**
of which Subjects canceled from the Register of Authorized subjects	-	-	-	-
- 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	75.205.051	82.538.373	-7.333.323	-8,88%
- Other non-financial companies	3.919.380	127.706	3.791.674	2969,06%
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	**270.227.671**	**259.470.360**	**10.757.311**	**4,15%**

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

Table 5.1: breakdown of investment and trading financial instruments

Items /Values	31/12/2025	
	Fixed assets	Non fixed assets
Bonds and other debt financial instruments:	**147.508.194**	**164.108.355**
a) Of public issuers	30.025.597	112.083.138
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 Securities	-	637.400
c) CIS (Collective Investment Scheme)	-	17.923.925
Total	**148.054.941**	**183.168.238**
of which unavailable for repurchase agreements with retrocession obligation	*21.265.854*	-

The non-fixed securities included under the item "Debt Securities and Other Financial Instruments" are recognised at the market value recorded at the financial year-end date, namely 31/12/2025, in accordance with the valuation criteria set out in Article IV.I.1, paragraph 3, of BCSM Regulation No. 2016/02, as disclosed in the relevant section of these Notes to the Consolidated Financial Statements. Following completion of the system-wide securitisation transaction, the Parent Company's fixed financial portfolio includes Junior- and Mezzanine-class ABS securities with a total nominal value of €12,064,255 as at the reporting date, both measured at a subscription price of 100. For further information on the transaction, reference should be made to Table **41, "Securitisation Transactions"**, in these Explanatory Notes to the Consolidated Financial Statements.

The Parent Company commissioned leading independent advisory firms to perform valuations of certain structured and High-Yield bonds included in the fixed and non-fixed portfolios and recognised their fair value as at 31 December 2025.

With regard to fixed securities, the item "Shares, Units and Other Equity Financial Instruments" comprises:

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

With regard to non-fixed securities, the item "Shares, Units and Other Equity Financial Instruments" comprises:

- units in collective investment funds and shares measured at the market price recorded at the financial year-end date, as required by the supervisory provisions set out in Article IV.I.1, paragraph 3, of BCSM Regulation No. 2016/02.
- units in the San Marino-law Loan Management and Odisseo Funds, arising from previous system-wide rescue operations, with residual values of €33,776 and €464,782 respectively, based on the NAV for the period; the significant reduction in value recorded during the period resulted from the liquidation of the Funds and the allocation of the underlying assets to the unitholders.

With reference to the Odisseo Fund, in which the Parent Company BAC held units with a value of €4.9 million at the beginning of the period, a framework settlement agreement was reached during the first months of 2025. The agreement also involved the transferor, by virtue of guarantees previously issued in favour of the transferee banks. The agreement generated significant positive effects on the Bank's capital position through the replacement of higher-risk assets (ABS securities relating to the system-wide securitisation) with government securities issued by the Republic of San Marino, which were allocated to the fixed portfolio. With regard to the Loan Management Fund, which is undergoing voluntary liquidation, the underlying assets arising from the system-wide securitisation were allocated to the unitholders, namely Junior- and Mezzanine-class ABS securities, which were also allocated to the fixed 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 the carrying amounts and market quotations relate to investments which, by their nature, will be held to maturity and, based on the current assessment of issuer risk, will be offset by the redemption value;

therefore, in the absence of any further indication of an impairment of Net Equity, they are not considered to represent permanent losses in value.
The portfolio under review includes a listed subordinated debt security issued by a leading international banking institution, 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
of which Debt financial instruments	*4.649.087*	*8.323.850*
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
of which Debt financial instruments	-	*1.260.850*
2. Refunds	11.792.262	8.492.530
of which Debt financial instruments	*10.998.579*	*6.698.485*
3. Value adjustments	-	-
of which Lasting devaluations	-	-
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 of Mezzanine- and Junior-class securities, as well as San Marino government securities, resulting from the distribution of the assets of the Loan Management and Odisseo Funds, which are undergoing voluntary liquidation.
The other changes, both increases and decreases, reflect, on a net basis, the accrued differences relating to fixed securities and accrued income, where applicable.

Table 5.4: breakdown of "trading financial instruments"

ITEMS / VALUES	31/12/2025	31/12/2024
	Fair value	Fair value
1. Financial debt instruments	**164.108.355**	**92.466.128**
1.1 Bonds	164.108.355	92.466.128
- Listed	134.687.958	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	**183.168.238**	**109.353.119**

Table 5.5: annual changes in "trading financial instruments"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	**109.353.119**	**82.240.483**
Increases	**181.975.402**	**323.430.407**
1. Purchases	174.669.985	319.150.190
of which Debt financial instruments	*161.432.325*	*313.598.304*
of which Equity financial instruments	*13.237.660*	*5.551.887*
2. Value recoveries and revaluations	1.541.308	684.728
3. Transfers from the investment portfolio	-	-
4. Other increases	5.764.109	3.595.489
Decreases	**108.160.283**	**296.317.771**
1. Sales and refunds	102.332.419	292.419.452
of which Debt financial instruments	*89.815.930*	*269.385.353*
of which Equity financial instruments	*12.516.489*	*21.020.754*
2. Value adjustments and write-downs	3.025.657	3.147.986
3. Transfers to the investment portfolio	-	-
4. Other decreases	2.802.207	750.333
Closing balance	**183.168.238**	**109.353.119**

6. Unconsolidated Equity Investments and Unconsolidated Investments in Group Companies (items: 70–80 of consolidated assets)

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

COMPANY NAME	Legal status	Registered office	Activities carried out	Share capital	Net equity*	Profit/Loss	Share capital %	Book value (B) 31/12/2024	Fair Value	Share of net equity (A)	Comparisons (A-B)
A2. Unconsolidated shareholdings - Others											
Klirway	S.p.a.	Via III Settembre,99 47891 Dogana RSM	Other Financial Institutions	4.528.361	12.686.023	94.819	19,22%	916.931	-	2.438.254	1.521.323
IGRC	S.p.a.	Piazza Bertoldi,8 47899 Serravalle RSM	Other Financial Institutions	248.000	280.039	-	10,08%	25.000	-	28.229	3.229
Banca Centrale della Repubblica di San Marino	S.p.a.	Via del Voltone, 120 47890 San Marino RSM	Banking Activities	12.911.425	64.122.336	-	5,00%	4.059.242	-	3.206.117	-853.125
Agenzia per lo sviluppo economico - Camera di Commercio	S.p.a.	Strada di Paderna, 2 47895 Domagnano RSM	Services	77.466	10.468.455	417.233	1,33%	1.033	-	139.230	138.197
Bancomat	S.p.a.	Via Vittorio Veneto, 54b 00187 Roma	Other Financial Institutions	36.917.523	101.225.942	5.399.043	-	285	-	810	525
CBI	Benefit joint-stock consortium company	Via del Gesù, 00186 Roma	Services	24.623.378	36.774.030	6.762.149	-	-	-	14.710	14.710
B. Unconsolidated shareholdings in group companies											

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

The following equity investments are held in unconsolidated companies and are measured at purchase cost:

- Klirway S.p.A. (formerly BKN301 S.p.A.), in which a 19.22% interest is held;
- I.G.R.C. S.p.A., Master Servicer for the system-wide securitisation transaction, in which a 10.08% interest is held;
- Central Bank of the Republic of San Marino S.p.A., in which a 5% interest is held;
- Economic Development Agency – Chamber of Commerce S.p.A., in which a 1.33% interest is held.

With reference to the difference between the carrying amount and the corresponding share of Net Equity relating to the equity investment in the Central Bank of the Republic of San Marino S.p.A., also taking into account the capitalisation approved when the annual financial statements were adopted, there are currently no grounds for recognising permanent impairment losses.

Table 6.2: breakdown of item 70 “Unconsolidated 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	4.059.242	-	645.571	4.059.241	-
- Listed	-	-	-	-	-	-
- Not listed	645.571	4.059.242	-	645.571	4.059.241	-
In other financial firms	942.216	942.216	-	942.217	942.217	-
- Listed	-	-	-	-	-	-
- Not listed	942.216	942.216	-	942.217	942.217	-
Others	1.033	1.033	-	1.033	1.033	-
- Listed	-	-	-	-	-	-
- Not listed	1.033	1.033	-	1.033	1.033	-
Total	**1.588.820**	**5.002.491**	**-**	**1.588.821**	**5.002.491**	**-**

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

Data not present.

Table 6.4: annual changes in item 70 “Unconsolidated shareholdings”

DESCRIPTION	31/12/2025
A) Opening balance	**5.002.491**
B) Increases	**-**
B1. Purchases	-
B2. Value recoveries	-
B3. Revaluations	-
B4. Increases from application of the equity method	-
B5. Other increases	-
C) Decreases	**-**
C1. Sales	-
C2. Value adjustments	-
of which Lasting devaluations	-
C3. Decreases from application of the equity method	-
C4. Other decreases	-
D) Closing balance	**5.002.491**
E) Total revaluations	**3.004.030**
F) Total adjustments	**-**

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

Data not present.

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

DESCRIPTION	31/12/2025
Assets	**66.489.343**
- Loans to credit institutions	61.087.854
of which Subordinates	-
of which Associated companies	-
of which Subordinates	-
- Loans to other financial companies	5.401.489
of which Subordinates	-
of which Associated companies	5.205.715
of which Subordinates	-
- Loans to other companies	-
of which Subordinates	-
of which Associated companies	-
of which Subordinates	-
- Bonds and other debt financial instruments	-
of which Subordinates	-
of which Associated companies	-
of which Subordinates	-
Liabilities	**530.642**
- Amounts due to credit institutions	523.627
of which Associated companies	-
- Amounts due to other companies	7.015
of which Associated companies	377
- Payables represented by financial instruments	-
of which Associated companies	-
- Subordinate liabilities	-
of which Associated companies	-
Guarantees and commitments	**-**
- Guarantees given	-
- Commitments	172.998

"Loans and advances to credit institutions" comprise balances held with the Central Bank of the Republic of San Marino, including the ROB term deposit (Compulsory Reserve), the Depositors' Guarantee Fund and the Escrow Account established in 2023 as security for payments relating to the Senior securities arising from the securitisation transaction; the item "loans and advances to other financial companies, of which to associated companies" represents amounts receivable from the investee company Klirway S.p.A. (formerly BKN301 S.p.A.). Liabilities include the current-account balances held by the latter and by Camera di Commercio S.p.A.

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

Data not present.

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

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

Data not present.

8. Positive consolidation differences (item 100 of consolidated assets)

Table 8.1: breakdown and changes in item 100 "Positive consolidation differences"

COMPANY NAME	01/01/2025	Changes during the year	Amortisation for the year	31/12/2025
A) Positive consolidation differences from consolidated companies				
A1. Centro Servizi srl	91.313	-45.498	-4.582	41.233
A2. NCO Immobiliare srl	224.513	26.880	-25.139	226.254
A3.Società Servizi Informatici Sammarinese S.S.I.S Spa	91.953	-91.953	-	-
B) Positive consolidation differences from companies measured using the equity method				
Total	**407.779**	**-110.571**	**-29.721**	**267.487**

The positive consolidation differences arising in relation to the investee companies listed above were offset, where applicable, against the revaluation reserves attributable to them; the residual balances were amortised at an annual rate of 10%, as provided for by CBSM Circular No. 2017/03. The positive consolidation difference recognised in the 2024 financial year in relation to the equity investment in SSIS S.p.A. was fully eliminated, as it arose from an error in its original calculation.

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

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

ANNUAL CHANGES	31/12/2025	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	**2.644.569**	**317.140**	**-**	**-**	**-**	**-**	**-**	**-**	**5.098**	**2.322.331**
B) Increase	**310.057**	**403**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**309.654**
B1. Purchases	309.654	-	-	-	-	-	-	-	-	309.654
B2. Value recoveries	318	318	-	-	-	-	-	-	-	-
of which By creditworthiness	318	*318*	-	-	-	-	-	-	-	-
B3. Revaluations	-	-	-	-	-	-	-	-	-	-
B4. Other increases	85	85	-	-	-	-	-	-	-	-
C) Decreases	**453.596**	**54.769**	**-**	**-**	**-**	**-**	**-**	**-**	**2.006**	**396.820**
C1. Sales	-	-	-	-	-	-	-	-	-	-
C2. Value adjustments	437.360	54.674	-	-	-	-	-	-	2.006	380.680
of which Depreciation and amortization	437.360	54.674	-	-	-	-	-	-	*2.006*	380.680
of which Lasting devaluations	-	-	-	-	-	-	-	-	-	-
of which By creditworthiness	-	-	-	-	-	-	-	-	-	-
C3. Other decreases	16.236	95	-	-	-	-	-	-	-	16.141
D) Closing balance	**2.501.030**	**262.774**	**-**	**-**	**-**	**-**	**-**	**-**	**3.092**	**2.235.164**

Other intangible fixed assets consist of expenditure relating to: software purchases, improvements to third-party properties, studies and research, various multi-year costs and concession rights. Software is measured at cost, including all analysis, installation and training expenses. Furthermore, any fully amortised intangible fixed assets are removed from the accounting records by reducing both the gross carrying amount of the asset and the corresponding accumulated amortisation. Amortisation charges were calculated on the basis of the assets' remaining useful lives.

Table 9.2: breakdown of item 110 "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	-
of which assets under construction	-	-	-	-	-	-
B) Assets awaiting lease termination	-	-	-	-	-	-
of which due to default by the tenant	-	-	-	-	-	-
C) Assets available from debt collection	-	-	-	-	-	-
of which assets available for credit extinction by means of a settlement agreement	-	-	-	-	-	-
D) Goodwill	-	-	-	-	-	-
E) Start-up costs	5.917	3.092	-	10.033	5.098	-
F) Other intangible fixed assets	3.661.553	2.235.164	-	4.174.280	2.322.331	-
Total	**4.231.994**	**2.501.030**	**-**	**4.748.837**	**2.644.569**	**-**

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

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

ANNUAL CHANGES	31/12/2025	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	**157.374.691**	**39.521.146**	**567.568**	**987**	**987**	**88.851.187**	**88.851.187**	**27.962.897**	**1.038.474**
B) Increase	**13.044.965**	**10.236.669**	**1.161.142**	**313**	**313**	**1.658.160**	**1.658.160**	**777.927**	**371.896**
B1. Purchases	11.457.431	9.504.185	1.161.142	-	-	1.581.422	1.581.422	-	371.824
B2. Value recovery	416.043	415.730	-	313	313	-	-	-	-
of which By creditworthiness	415.730	*415.730*	-	-	-	-	-	-	-
B3. Revaluations	-	-	-	-	-	-	-	-	-
B4. Other increases	1.171.491	316.754	-	-	-	76.738	76.738	777.927	72
C. Decreases	**19.860.152**	**16.178.311**	**948.354**	**1.300**	**1.300**	**1.669.473**	**1.669.473**	**1.643.955**	**367.113**
C1. Sales	9.653.543	7.694.726	141.056	1.300	1.300	1.617.379	1.617.379	339.781	356
C2. Value adjustments	8.891.495	7.511.785	1.428	-	-	-	-	1.012.954	366.757
of which Depreciation and amortization	*8.875.951*	*7.510.357*	-	-	-	-	-	*1.012.954*	*352.640*
of which Lasting devaluations	*14.116*	-	-	-	-	-	-	-	*14.116*
of which By creditworthiness	*1.428*	*1.428*	*1.428*	-	-	-	-	-	-
C3. Other decreases	1.315.114	971.800	805.870	-	-	52.094	52.094	291.220	-
D) Closing balance	**150.559.504**	**33.579.504**	**780.356**	**-**	**-**	**88.839.874**	**88.839.874**	**27.096.869**	**1.043.257**

Table 10.2: breakdown of item 120 "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	88.087.298	33.579.504	-	106.750.480	39.521.146	-
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	46.631.894	27.096.869	-	46.734.266	27.962.897	-
E) Other tangible fixed assets	3.624.135	1.043.257	-	3.448.544	1.038.474	-
Total	**138.343.327**	**150.559.504**	**-**	**156.933.290**	**157.374.691**	**-**

Item B. "Assets awaiting finance lease following lease termination" includes fixed assets returned to the full possession of the Parent Company following the termination of lease agreements due to default by the lessees. These amounts are also included in the detailed table of loans and advances to customers, as required by the regulatory provisions.
Item C. "Assets available from credit recovery" includes properties acquired over the years following waiver and settlement agreements relating to the credit positions of insolvent customers classified as bad debts; these assets are not used in the Company's operations and are therefore not subject to depreciation. To optimise the management of these assets, the Parent Company has established a dedicated unit within its organisational structure, known as the Real Estate Function, which is responsible for their maintenance, sale or re-letting.
Item E. "Other tangible fixed assets" includes furniture, safes and systems, electronic equipment and motor vehicles. As with intangible fixed assets, any fully depreciated tangible fixed assets are removed from the accounting records by reducing both the gross carrying amount of the asset and the corresponding accumulated depreciation.

Table 10.3: 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	-
of which For residential use	*12.214.404*	-	*12.945.160*	-
of which For non-residential use	*65.894.387*	-	*65.299.248*	-
A2. movable property	-	-	-	-
of which Vehicles	-	-	-	-
of which Naval aircraft	-	-	-	-
of which Other	-	-	-	-
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	-
of which For residential use	*4.343.574*	-	*4.256.103*	-
of which For non-residential use	*6.387.509*	-	*6.350.676*	-
B2. Movable property	-	-	-	-
of which Vehicles	-	-	-	-
of which Naval aircraft	-	-	-	-
of which Other	-	-	-	-
Total	**88.839.874**	**-**	**88.851.187**	**-**

Assets acquired through credit recovery are recognised under assets in the Statement of Assets and Liabilities at the appraisal value determined at the date of the settlement agreement concluded with the customer and subsequently updated on a periodic basis, up to the amount of the credit exposure.

Table 10.4: 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	**36.023.928**	**-**	**36.023.928**
A) of which For overdue fees	**2.181.650**	**-**	**2.181.650**
B) of which Residual principal credit	**33.842.278**	**-**	**33.842.278**
B1. Intangible fixed assets	262.774	-	262.774
- Financial leasing	262.774	-	262.774
- Assets awaiting lease termination	-	-	-
B2. Tangible fixed assets	33.579.504	-	33.579.504
- Financial leasing	33.579.504	-	33.579.504
- Assets awaiting lease termination	-	-	-

11. Subscribed and unpaid capital (item 130 of consolidated assets)

Table 11.1: Breakdown of item 130 "Subscribed and unpaid capital"

Data not present.

12.Transactions on own shares (item 140 of consolidated assets)

Table 12.1: Breakdown of company shares

Data not present.

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

13. Other assets (item 150 of consolidated assets)

Table 13.1: breakdown of item 150 "Other assets"

OTHER ASSETS	31/12/2025	31/12/2024 proforma
Guarantee margins	-	-
Premiums paid for options	-	-
Other assets	350.317.459	343.613.685
of which Other debtors:	350.317.459	343.613.685
Charges to be settled	*8.589.098*	*6.385.239*
Other Miscellaneous Items (Security Deposits and Other)	*3.378.448*	*2.851.010*
Customers for invoices issued	*454.056*	*858.267*
Tax receivables and other tax items	*9.048.799*	*10.104.028*
Documents for collection	*83.216.057*	*75.919.751*
Amounts receivable from other customers	*1.514.583*	*1.703.092*
Amounts receivable from banks	-	-
Suspension for value adjustments pursuant to Law 173/2018, Art. 40	*13.745.284*	*18.327.047*
Investments for the benefit of policyholders in the Life business lines who bear the risk, and arising from the management of pension funds	*126.232.451*	*132.392.776*
GIS financial investments – BACLife Spa	*104.138.684*	*95.072.475*

This item includes all assets that cannot be attributed to any other asset item. It also includes any residual balances relating to items in transit and suspense items that have not yet been allocated to the relevant accounts.

The item "Suspension of impairment adjustments pursuant to Article 40 of Law No. 173/2018", amounting to €13,745,284, represents the AQR adjustments that remain suspended pursuant to the relevant law, corresponding to 3/10 of the initial amount relating to the Parent Company.

The item "Tax receivables and other tax-related items" includes the tax credit of €7,512,529 recognised by the Tax Office, net of utilisations, pursuant to Law No. 227/2020, which established the maximum amount of tax benefits arising from the valuations at NAV as at 31/12/2020 of the Loan Management Fund and the Odisseo Fund held in the Parent Company's securities portfolio.

As specified in the valuation criteria and in accordance with the relevant provisions, "Other assets" also include Investments for the benefit of Life Insurance policyholders who bear the related risk and investments arising from the management of pension funds (see BCSM Regulation No. 2009/01 on insurance undertakings), amounting to €126,232,451, as well as other financial investments represented by bonds issued by leading issuers, amounting to €104,138,684. These investments also relate to the subsidiary BAC Life S.p.A. and are matched under liabilities in the Statement of Assets and Liabilities by the Technical Provisions covering the obligations towards policyholders.

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

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

DESCRIPTION	31/12/2025	31/12/2024
A) Accrued income	**298.023**	**475.146**
- On rental income	258.861	144.303
- On lease payments	25.000	25.000
- Other accrued income	14.162	305.843
B) Prepaid expenses	**465.232**	**785.226**
- On rent payable	21.730	21.474
- On administrative expenses	205.588	477.648
- On securitization charges	237.914	286.104
Total	**763.255**	**1.260.372**

The related accrued amounts are recognised as adjustments to assets and liabilities in accordance with Article IV.I.14 of BCSM Regulation No. 2016/02. This item includes residual amounts that cannot be attributed to specific asset or liability items. Prepayments include the upfront costs incurred in structuring the securitisation transaction involving the Parent Company, amounting to €237,914.

Information on the Statement of Assets and Liabilities - Liabilities

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

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

DESCRIPTION	31/12/2025			31/12/2024		
	In euro	In foreign currency	Total	In euro	In foreign currency	Total
A) At sight:	**2.773.254**	**-**	**2.773.254**	**2.973.492**	**-**	**2.870.061**
A1. Reciprocal accounts opened for services rendered	982.129	-	982.129	1.355.455	-	1.252.024
A2. Free deposits	-	-	-	-	-	-
A3. Others	1.791.125	-	-	1.618.037	-	1.618.037
B) At term or with notice	**1.691.946**	**-**	**1.691.946**	**2.301.756**	**-**	**2.301.756**
B1. Passive current accounts	80.179	-	-	-	-	-
B2. Term deposits	340.119	-	340.119	698.139	-	698.139
B3. Repurchasing agreements and passive carry-overs	-	-	-	-	-	-
B4. Other financing	1.271.648	-	1.271.648	1.603.617	-	1.603.617
Total	**4.465.200**	**-**	**4.465.200**	**5.275.248**	**-**	**5.275.248**

Term deposits include amounts placed by two Credit Institutions as security for reciprocal contractual obligations undertaken by the Parent Company (correspondingly, deposits placed by the Parent Company with the same Credit Institutions are recognised for an equal amount under item 30 of Assets).

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

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

DESCRIPTION	31/12/2025			31/12/2024		
	In euro	In foreign currency	Total	In euro	In foreign currency	Total
A) At sight:	**446.913.309**	**10.260.513**	**457.173.822**	**427.005.796**	**5.703.768**	**432.709.564**
A1. Passive current accounts	445.691.128	10.260.513	455.951.641	425.631.616	5.703.768	431.335.384
A2. Savings deposits	1.058.219	-	1.058.219	1.238.497	-	1.238.497
A3. Others	163.962	-	163.962	135.683	-	135.683
B) Term or with notice	**83.748.134**	**-**	**83.748.134**	**85.616.565**	**-**	**85.616.565**
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
B4. Other funds	62.548.935	-	62.548.935	54.047.891	-	54.047.891
Total	**530.661.443**	**10.260.513**	**540.921.956**	**512.622.361**	**5.703.768**	**518.326.129**

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

Table 16.2: liabilities for electronic money

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

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

17. Debiti rappresentati da strumenti finanziari (voce 30 del passivo consolidato)

Tabella 17.1: composizione dei debiti rappresentati da strumenti finanziari

DESCRIPTION	31/12/2025			31/12/2024			CHANGE	
	In euro	In foreign currency	Total	In euro	In foreign currency	Total	Amount	%
Bonds	-	-	-	-	-	-	-	-
of which Held by credit institutions	-	-	-	-	-	-	-	-
Certificates of deposit	180.688.865	-	180.688.865	166.875.803		166.875.803	13.813.062	8,28%
of which Held by credit institutions	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-
of which Traded acceptances	-	-	-	-	-	-	-	-
of which Bills in circulation	-	-	-	-	-	-	-	-
of which Atypical securities	-	-	-	-	-	-	-	-
Total	**180.688.865**	**-**	**180.688.865**	**166.875.803**	**-**	**166.875.803**	**13.813.062**	**8,28%**

The composition reflects the different investment choices made by customers.

18. Other liabilities (item 40 of consolidated liabilities)

Table 18.1: Breakdown of item 40 "Other liabilities"

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:	99.982.521	86.308.364
of which Other creditors	*174.142*	*177.100*
of which Other:	*99.808.379*	*86.131.264*
Receivables for collection	*93.475.977*	*78.451.447*
Commitments to suppliers and invoices to be received	*2.070.329*	*2.928.210*
Amounts to be paid to the tax authorities	*764.126*	*872.405*
Amounts to be settled with banks	*244.361*	*216.048*
Amounts to be paid to third parties	*3.253.586*	*3.663.154*
Total	**100.708.318**	**87.332.537**

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

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

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

DESCRIPTION	31/12/2025	31/12/2024
A) Accrued liabilities	**-**	**-**
A1. Accrued expenses on commissions	-	-
A2. Other accrued expenses	-	-
B) Deferred income	**273.203**	**452.252**
B1. Deferred income from foreign portfolio	5.392	4.046
B2. Deferred income from signature loan commissions	42.117	53.750
B3. Other deferred income	162.590	165.443
B4. Deferred income on rental income	63.104	229.013
Total	**273.203**	**452.252**

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

20. Provisions (items 60 - 70- 80 of consolidated liabilities)

Table 20.1: 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	1.354.461	597.999
Other funds	1.614.460	1.458.107
- Claims and revocation fund	621.621	494.121
- Provision for charges to be settled	488.758	475.247
- Charity fund	22.555	14.955
- Provision for adjustments for guarantees and commitments	400	350
- Provision for risks and charges	481.126	473.434
Total	**2.968.921**	**2.056.106**

For the year under review, the Provision for Taxes and Duties was increased to cover the tax charges attributable to the period.
The Provision for Legal Proceedings and Complaints was increased by a further €0.150 million to cover potential risks arising from ongoing legal actions and proceedings, while €0.023 million was utilised.
The Provision for Expenses to be Settled was partially utilised to cover the contractual salary increases granted to officers following the renewal of the National Collective Labour Agreement (CCNL) for the banking sector at the end of December 2024, relating to previous financial years, as well as accruals for annual leave not paid during the year.

Lastly, as resolved by the Shareholders' Meeting held on 28/05/2025, the Parent Company increased the provision for charitable activities by €10,000.

Table 20.2: movement of the "Tax reserves and duties"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	597.999	151.081
Increases:	1.352.805	580.461
- Provisions	1.352.805	580.461
- Other increases	-	-
Decreases:	596.343	133.543
- Uses	596.343	133.543
- Other decreases	-	-
Closing balance	**1.354.461**	**597.999**

The Tax Provision Fund was increased following the accrual of income tax as of 31/12/2025. This amount was recorded under the specific item "Taxes for the year" in the profit and loss account.

Table 20.3: movements in the "Consolidation fund for future risks and charges"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	-	249.399
Increases:	-	-
- Provisions	-	-
- Other increases	-	-
Decreases:	-	249.399
- Uses	-	-
- Other decreases	-	249.399
Closing balance	**-**	**-**

Table 20.4: movements of sub-item c) "Other provisions"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	1.458.107	1.540.908
Increases:	279.287	666.260
- Provisions	279.287	666.260
- Other increases	-	-
Decreases:	122.934	749.061
- Uses	122.763	594.680
- Other decreases	171	154.381
Closing balance	**1.614.460**	**1.458.107**

Table 20.5: movements of item 80 "Provisions for risks on credits"

DESCRIPTION	31/12/2025	31/12/2024
Opening balance	625.000	610.100
Increases:	5.000	14.900
- Provisions	5.000	14.900
- Other increases	-	-
Decreases:	-	-
- Uses	-	-
- Other decreases	-	-
Closing balance	**630.000**	**625.000**

The Provision for Credit Risks is, by its nature, intended to cover only potential credit risks and does not serve to adjust the value of assets. During the year, it was increased in relation to a subsidiary.

21. Technical reserves (item 90 of consolidated liabilities)

Table 21.1: breakdown of item 90 "Technical Reserves"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Non-life business	**-**	**-**	**-**	**-**
A1. Premium provisions	-	-	-	-
A2. Claims provisions	-	-	-	-
A3. Other provisions	-	-	-	-
B) Life business	**110.984.027**	**101.562.966**	**9.421.060,51**	**9,28%**
B1. Mathematical provisions	109.715.346	100.604.780	9.110.565,53	9,06%
B2. Provisions for amounts payable	219.285	-	-	-
B3. Other provisions	1.049.396	958.186	91.209,78	9,52%
C) Technical provisions where the investment risk is borne by policyholders	**130.478.732**	**132.392.776**	**-1.914.043,93**	**-1,45%**
C1. Provisions relating to contracts whose benefits are linked to investment funds and market indices	130.478.732	132.392.776	-1.914.043,93	-1,45%
C2. Provisions arising from the management of pension funds	-	-	-	-

The Technical Reserves relate to BAC Life S.p.A. The Provisions for contracts in force as at 31/12/2025 were determined gross of reinsurance cessions, of which there were none, and on the basis of the actuarial equivalence principle applicable to future obligations, as certified in the Actuary's Report.

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

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Opening balance	1.423.222	1.423.222	-	-
Contributions during the year	276.778	-	276.778	100%
Utilisations during the year	-	-	-	-
Closing balance	1.700.000	1.423.222	276.778	19%

As a precautionary measure, the Fund for General Financial Risks was increased during the financial year to €1,700,000, as a safeguard against potential future risks. The Fund represents a positive component of Consolidated Net Equity.

Table 22.2: 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	-	-	-	-

The subordinated loan issued by the Parent Company, effective from 01/12/2020, matured during 2025.

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

CATEGORIES / VALUES	01/01/2025	*Changes during the year*	31/12/2025
A) Negative consolidation differences arising from consolidated companies	**-**	**513.369**	**513.369**
BAC LIFE Spa	-	80.219	80.219
BAC TRUSTEE SPA	-	11.742	11.742
BAC Investiments SG Spa	-	29.429	29.429
SAN MARINO FINANZA E PREVIDENZA Srl	-	1.246	1.246
SSIS Spa	-	388.278	388.278
S3 Special Service Srl	-	2.455	2.455
B) Negative consolidation differences arising from companies accounted for using the equity method	**-**	**-**	**-**
Total	**-**	**513.369**	**513.369**

Negative consolidation differences arise where the carrying amount of the equity investment eliminated is lower than the corresponding share of Net Equity. With reference to BAC Life S.p.A., BAC Trustee S.p.A., BAC Investments SG S.p.A., San Marino Finanza e Previdenza S.r.l. and S3 Special Service S.r.l., the difference is due to the capitalisation of part of the 2024 profit; for the equity investment in SSIS S.p.A., it arises from the higher value of tangible fixed assets under lease, which were capitalised as fixed assets.

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

DESCRIPTION	31/12/2025	31/12/2024	Amount	%
Minority interests' equity	40.995	38.319	2.676	6,98%
San Marino Finanza e Previdenza Srl	40.995	38.319	2.676	6,98%

Table 22.5: breakdown of item 140 "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 22.6: breakdown of item 150 "Share premium reserves"

Data not present.

Table 22.7: breakdown of item 160 "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%
B) Reserve for own shares	-	-	-	-
C) Statutory reserves	-	-	-	-
D) Other reserves	8.622.514	5.294.721	3.327.793	62,85%
Total	**57.691.560**	**55.341.010**	**2.350.550**	**4,25%**

Item a) "Ordinary or legal reserve" includes the "tax-suspension reserve" established by the Parent Company following the reverse-merger demerger of Istituto Bancario Sammarinese completed in 2012. The change recorded in 2025 is attributable to the capitalisation of the Parent Company's profit for the 2024 financial year, as well as to the reclassification to the extraordinary reserve of part of the Parent Company's 2023 profit earmarked for capitalisation.
The change in item d) "Other reserves" also derives from the reallocation of dividends from subsidiaries relating to 2024 and subject to elimination, amounting to €394,672. This item includes the subsidiaries' revaluation reserves generated in previous years to align their carrying amounts with Net Equity up to 31/12/2023; these reserves, which are available but non-distributable, amount to €1,137,240.

Table 22.8: breakdown of item 170 "Revaluation reserves"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Revaluation Reserve	17.046.886	17.046.887	-1	-
of which Attributable to minority interests	-	-	-	-

The reserve comprises revaluations carried out in compliance with specific regulatory provisions in respect of properties used in operations and the equity investment held in BCSM.

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

Data not present.

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Profit (loss) for the year	6.676.109	4.870.438	1.805.671	37,07%

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

DESCRIPTION	Subscribed capital	Subscribed and unpaid capital	Share premium	Ordinary or legal reserve	Other reserves	Result for the year	Profits/ losses carried forward	General financial risks	Revaluation reserve	Total
Balance as of 31/12/2022	-	-	-	-	-	-	-	-	-	-
Balance as of 31/12/2023 proforma*	20.880.080	-	-	46.936.389	1.714.511	5.190.820	-	1.423.222	18.095.774	94.240.796
Balance as of 31/12/2024 proforma*	20.880.080	-	-	50.046.289	5.333.040	4.870.438	-	1.423.222	17.046.887	99.599.956
Balance as of 31/12/2025	20.880.080	-	-	49.069.046	9.176.878	6.676.109	-	1.700.000	17.046.886	104.548.999

*The Reserve for Treasury Shares was eliminated against the corresponding item 140 under Assets in the Statement of Assets and Liabilities – Treasury Shares or Units – in respect of the treasury shares held by the Parent Company.

Table 22.12: statement of changes in consolidated shareholders' equity

DESCRIPTION	Opening balances	Allocation previous result		Changes during the year				Group equity as of 31/12/2025	Minority interests' equity as of 31/12/2025
		Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Changes in equity investments	Other changes		
Subscribed and paid-up capital	**20.880.080**	**-**	**-**	**-**	**-**	**-**	**-**	**20.880.080**	**12.740**
- Ordinary shares	20.880.080		-	-	-	-	-	20.880.080	12.740
- Other shares	-	-	-	-	-	-	-	-	-
Additional paid-in capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserves	**55.341.010**	**2.646.209**	**-**	**-295.659**	**-**	**-**	**513.369**	**58.204.928**	**14.810**
- Ordinary or legal	50.046.289	1.010.758	-	-	-	-	-1.988.001	49.069.046	-
- Other	5.294.721	1.635.451	-	-295.659	-	-	2.501.370	9.135.883	14.810
Profit (loss) for the year	**4.870.438**	**-2.646.209**	**-2.224.229**	**-**	**-**	**-**	**-**	**6.676.109**	**13.445**
Reserve for general financial risks	**1.423.222**	**-**		**-**	**-**	**-**	**276.778**	**1.700.000**	**-**
Revaluation reserve	**17.046.887**	**-**		**-**	**-**	**-**	**-**	**17.046.887**	**-**
Group equity	**99.561.637**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Minority interests' equity	**38.319**	**-**		**-**	**-**	**-**	**-**	**104.508.004**	**40.995**

Table 22.13: 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	**10.681.052**	**18.914.032**	**-8.232.980**	**-43,53%**
- 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	3.230.987	4.625.868	-1.394.881	-30,15%
- Insurance companies	1.313.026	8.702.379	-7.389.353	-84,91%
- Pension funds	-	-	-	-
C) Non-financial companies	**181.230.313**	**154.673.307**	**26.557.006**	**17,17%**
of which Subjects deleted from the Register of Authorized Subjects	*200.990*	*204.289*	*-3.299*	*-1,61%*
- Industry	81.620.861	63.996.431	17.624.430	27,54%
- Construction	3.305.786	3.743.331	-437.545	-11,69%
- Services	92.675.071	86.564.102	6.110.969	7,06%
- Other non-financial companies	3.628.595	369.443	3.259.152	882,18%
D) Families and non-profit institutions serving families	**426.907.858**	**413.303.191**	**13.604.667**	**3,29%**
- Consumer and producer families	420.201.485	404.839.521	15.361.964	3,79%
- Non-profit institutions serving families	6.706.373	8.463.670	-1.757.298	-20,76%
E) Others	**3.894.259**	**2.866.256**	**1.028.003**	**35,87%**
Total	**722.336.618**	**688.627.093**	**33.709.525**	**4,90%**

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

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

23. Guarantees and commitments

Table 23.1: breakdown of "Guarantees given"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Bank guarantees of a commercial nature	10.228.063	7.904.676	2.323.387	29,39%
B) Bank guarantees 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 23.2: breakdown of bank guarantees

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Bank guarantees 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) Bank guarantees 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 23.3: situation of bank guarantees to credit institutions

Data not present.

Table 23.4: situation of bank guarantees to customers

DESCRIPTION	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**	**350**	**30.150**
of which Non-performing loans	-	-	-	*30.000*	-	*30.000*
of which Substandard loans	*500*	*400*	*100*	*500*	*350*	*150*
of which Restructured loans	-	-	-	-	-	-
of which Past due/overdue loans	-	-	-	-	-	-
of which Unsecured loans to high-risk countries	-	-	-	-	-	-
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**	**350**	**8.508.226**

Table 23.5: assets used as collaterals to own debts

Data not present.

Table 23.6: margins available on credit lines

Data not present.

Table 23.7: breakdown of "Spot commitments"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Commitments to disburse funds for certain use	-	-	-	-
of which Financing commitments to be disbursed	-	-	-	-
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%
of which Passive margins usable on credit lines	*1.361.981*	*1.023.725*	*338.256*	*33,04%*
of which Put options issued	-	-	-	-
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 utilisation consist of commitments to provide funds whose utilisation by the applicant is not optional. These commitments arise from contracts that are binding on both the lending bank and the applicant. This category includes purchases of securities not yet settled, as well as deposits and loans to be disbursed on a predetermined future date.

Item E) "Other commitments" includes the commitment to contribute €516,172 to the Depositors' Guarantee Fund in respect of the period from 2022 to 2025.

Table 23.8: term commitments

CATEGORY OF TRANSACTIONS	Hedging	Trading	Other transactions
1) Trading	**9.198.472**	**-**	**999.117**
1.1 Financial instruments	-	-	999.117
- Purchases	-	-	999.117
- Sales	-	-	-
1.2 Foreign currencies	9.198.472	-	-
- Foreign currencies against foreign currencies	-	-	-
- Purchases against euro	9.198.472	-	-
- 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	-	-	-
- Purchases against euro	-	-	-
- Sales against euro	-	-	-
b) Other values	-	-	-
- Purchases	-	-	-
- Sales	-	-	-

This table sets out all off-balance-sheet transactions outstanding at the end of the financial year. In particular: a) unsettled forward purchase and sale contracts involving Financial Instruments and foreign currencies; b) derivative contracts with underlying securities; c) foreign-exchange derivative contracts; d) derivative contracts without underlying securities linked to interest rates, indices or other assets; e) deposits and loans contracted and to be disbursed or received on a predetermined future date, on either a spot or forward basis.

Item 1.2 “Foreign currency purchases against euro” reports the equivalent value of foreign-exchange transactions with customers to be settled at the conventional two-day maturity.

Table 23.9: financial derivatives

Data not present.

Table 23.10: credit derivatives contracts

Data not present.

Information on the Statement of Assets and Liabilities - Memorandum Accounts

Table 24.1: memorandum accounts

ITEMS	31/12/2025	31/12/2024
1) Asset management	**756.627**	**832.006**
a) Customer asset management	756.627	832.006
of which Liquidity	136.721	101.060
of which Liquidity deposited with the reporting institution	136.721	101.060
of which Debt securities	-	276.145
of which Debt securities issued by the reporting entity	-	-
of which Debt securities issued by other San Marino credit institutions	-	-
of which Equity securities and official italian accounting board shares	619.906	730.946
of which Equity securities issued by the reporting entity	-	-
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	666.973.026	592.067.428
of which Debt securities issued by the reporting entity	-	2.395.000
of which Debt securities issued by other San Marino credit institutions	-	-
of which Equity securities and other securities issued by the reporting entity	89.757.394	86.158.068
of which Securities third-party financial instruments deposited with third parties	418.048.673	377.157.985
b) Proprietary financial instruments deposited with third parties	424.291.548	347.132.311
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
of which liquidity deposited with the reporting institution	6.137.039	5.585.784
b) Debt securities	33.682.597	24.074.228
of which debt securities issued by the reporting entity	-	-
of which debt securities issued by other San Marino credit institutions	-	-
c) Equity securities, official italian accounting board shares and other financial instruments	131.922.069	102.067.370
of which equity securities issued by the reporting entity	-	-
d) Other assets other than financial instruments and liquidity	-	-

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

The above-mentioned financial instruments are recognised in the memorandum accounts at market value. It should be noted that the subsidiary BAC Investments SG S.p.A. distributes and sells funds issued by the company itself through the Parent Company's commercial network, with the Parent Company also acting as depositary, for an amount of €171,741,705, as shown in the section "Financial instruments, liquid assets and other assets connected with depositary bank activities". It should also be noted that the figures reported in the above-mentioned section represent an "of which" amount included within the aggregate "Custody and Administration of Securities".

Table 24.2: 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 24.3: 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	**307.842.733**	**277.357.120**	**30.485.613**	**10,99%**
- 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	124.025.844	123.891.114	134.730	0,11%
- 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	**833.197.598**	**716.544.972**	**116.652.626**	**16,28%**

Table 24.4: 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. of which Total cash	*1.923.052*	*2.567.737*

Table 24.5: assets held in the exercise of trustee function

DESCRIPTION	31/12/2025	31/12/2024
A) Assets		
A1. Cash and cash equivalents	1.517.986	1.767.085
A2. Loans	361.399	306.574
A3. Securities	140.505	224.652
A3.1 Debt securities	128.865	203.249
A3.2 Equity securities	-	-
A3.3 CIS (Collective Investment Schemes)	11.640	21.403
A3.2 Other	-	-
A4. Shareholdings	338.324	321.962
A3. Other financial assets	-	-
A6. Real estate	32.326.717	32.934.650
A7. Registered movable assets	-	-
A8. Other goods and services	-	-
Total assets held in trust	**34.684.930**	**35.554.924**
B) Liabilities		
B1. Payables	680.957	1.997.295
B2. Other liabilities	-	-
Total liabilities held in trust	**680.957**	**1.997.295**
Income and expenses from management		
C1. Income relating to assets in trust	628.729	625.704
C2. Expenses relating to assets in trust	1.217.721	563.408
Difference between income and expenses	**-588.992**	**62.297**

PART D – Information on the Profit and Loss Account

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

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

DESCRIPTION	31/12/2025	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	**1.770.051**	**3.961.120**	**-2.191.069**	**-55,31%**
B1. Active current accounts	1.770.051	3.931.534	-2.161.483	-54,98%
B2. Deposits	-	29.586	-29.586	-100,00%
B3. Other financing	-	-	-	-
of which On leasing transactions	-	-	-	-
C) Loans to customers	**10.990.188**	**14.025.841**	**-3.035.653**	**-21,64%**
C1. Active current accounts	2.601.862	2.928.412	-326.550	-11,15%
C2. Deposits	-	-	-	-
C3. Other financing	8.388.326	11.097.429	-2.709.103	-24,41%
of which On leasing transactions	*1.769.282*	*2.510.156*	*-740.874*	*-29,52%*
D) On debt securities issued by credit institutions	**392.318**	**1.515.900**	**-1.123.582**	**-74,12%**
D1. Certificates of deposit	1.149	2.125	-976	-45,93%
D2. Bonds	391.169	1.513.775	-1.122.606	-74,16%
D3. Other financial instruments	-	-	-	-
E) On debt securities from customers (issued by other issuers)	**8.362.843**	**5.521.466**	**2.841.377**	**51,46%**
E1. Bonds	8.362.843	5.404.810	2.958.033	54,73%
E2. Other financial instruments	-	116.656	-116.656	-100,00%
Total	**21.515.400**	**25.024.327**	**-3.508.927**	**-14,02%**

This item includes, on an accrual basis, interest and similar income relating to loans and financial instruments, including the net balance between default interest accrued during the financial year and the corresponding impairment loss relating to the portion considered unrecoverable.
Compared with the previous period, total interest income decreased by 14.02%, mainly due to market interest-rate trends, which resulted in lower interest income on loans and advances to customers – despite the increase in closing balances, but with lower average volumes – and lower returns on interbank placements. This trend was partially offset by a significant increase in interest income on bonds, resulting from the reallocation of investments within the proprietary

securities portfolio towards higher-yielding instruments, as well as from higher investment volumes.

Table 25.2: 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	**77.015**	**57.969**	**19.046**	**32,85%**
A1. Passive current accounts	32.570	3.930	28.640	728,76%
A2. Deposits	-	-	-	-
A3. Other debts	44.444	54.039	-9.595	-17,76%
B) On amounts due to customers	**3.193.958**	**4.934.674**	**-1.740.716**	**-35,28%**
B1. Passive current accounts	913.894	1.074.258	-160.364	-14,93%
B2. Deposits	1.535.031	1.797.899	-262.868	-14,62%
B3. Other debts	745.033	2.062.517	-1.317.484	-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	**6.725.456**	**10.081.016**	**-3.355.560**	**-33,29%**

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

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

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

DESCRIPTION	31/12/2025	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				
Total	**49.154**	**106.965**	**-57.811**	**-54,05%**

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

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

Table 27.1: Breakdown of item 40 "Commission income"

DESCRIPTION	31/12/2025	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 LISF)	931.226	655.794	275.432	42,00%
C2. Execution of orders (lett.D2 All. 1 LISF)	-	-	-	-
C3. Management of portfolios of financial instruments (lett.D4 All. 1 LISF)	190	2.217	-2.027	-91,43%
C4. Placement of financial instruments (lett.D5 and D6 All.1 LISF)	-	-	-	-
D) Advisory activities of financial instruments	**-**	**-**	**-**	**-**
E) Distribution of third-party services and products other than placement	**98.439**	**719.145**	**-620.706**	**-86,31%**
E1. Asset management	-	-	-	-
E2. Insurance products	45.811	607.838	-562.027	-92,46%
E3. Other services and products	52.628	111.307	-58.679	-52,72%
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**	**334.254**	**21.647**	**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**	**216.712**	**41.407**	**19,11%**
N) Commissions for collective management services (lett. E and F All. 1 LISF)	**2.527.380**	**1.395.761**	**1.131.619**	**81,08%**
O) Electronic money	**-**	**-**	**-**	**-**
P) Credit/debit card issuing/management	**1.944.891**	**1.801.469**	**143.422**	**7,96%**
Q) Fees relating to servicing activities	**-**	**-**	**-**	**-**
R) Other services:	**2.155.719**	**2.148.703**	**7.016**	**0,33%**
Total	**9.649.807**	**8.490.949**	**1.158.858**	**13,65%**

Fee and commission income increased compared with the previous financial year (+13.65%), confirming customers' appreciation of the services offered by the Group. The strongest performances were recorded in fees and commissions for the receipt and transmission of securities orders (+42%), fees and commissions for Depositary Bank services (+27.75%) and fees and commissions for collective asset management services (+81.08%).

Table 27.2: 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:	**71.875**	**73.103**	**-1.228**	**-1,68%**
Total	**2.335.577**	**2.091.792**	**243.785**	**11,65%**

Alongside the increase in fee and commission income, fee and commission expense also rose; the breakdown shows an increase in fees and commissions for the issuance/management of credit cards/debit cards (+10.67%), as well as those relating to investment services (+22.84%).

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Active commissions				
A) Commissions for collective management services:	**-**	**-**	**-**	**-**
- Subscription fees	-	-	-	-
- Redemption fees	-	-	-	-
- Management fees	1.587.033	1.208.484	378.549	31,32%
- Performance fees	940.347	187.277	753.070	402,12%
Total (A)	**2.527.380**	**1.395.761**	**1.131.619**	**81,08%**
B) Commissions for individual management services	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
C) Other active commissions	-	-	-	-
Total (C)	**-**	**-**	**-**	**-**
Total active commissions (A+B+C)	**2.527.380**	**1.395.761**	**1.131.619**	**81,08%**
Passive commissions				
Commissions to distributors	-	-	-	-
Bank commissions	-	-	-	-
Commissions paid to outsourcers	-	-	-	-
Other passive commissions	-	-	-	-
Total passive commissions	**-**	**-**	**-**	**-**

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

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

DESCRIPTION	31/12/2025			
	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				**530.934**
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 from trading financial assets and foreign currencies on behalf of customers, as well as from the management of the Parent Company's proprietary non-fixed financial portfolio. The result from financial management decreased compared with the previous year, which recorded a positive balance of €530,934, due to market dynamics that affected the fair value of financial instruments.

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

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Other operating income	-	-	-	-
- Rental income from properties	1.897.687	1.835.642	62.045	3,38%
- Recovery of insurance expenses	15.119	15.959	-840	-5,26%
- Active commissions on accounts	154.994	161.076	-6.082	-3,78%
- Recovery of various expenses	231.447	196.142	35.305	18,00%
- Lease payments – principal portion	8.176.622	7.939.001	237.621	2,99%
- Other income from property sales	19.776	286.203	-266.427	-93,09%
- Brokerage commissions for recovery of securitised positions	517.124	503.420	13.704	2,72%
- Data processing commissions – IT services	879.316	959.649	-80.333	-8,37%
Total	**11.892.086**	**11.897.092**	**-5.006**	**-0,04%**
Other operating expenses	59.066	72.230	-13.164	-18,23%
Other operating expenses – rental charges, lease payments	-	-	-	-
Total	**59.066**	**72.230**	**-13.164**	**-18,23%**

Pursuant to the current BCSM Regulation No. 2016/02 on the preparation of separate and consolidated financial statements, finance lease instalments accrued during the financial year are recognised, as regards the interest portion, under "interest income and similar income on loans" and, as regards the principal portion, under "other operating income". At the same time, the bank reduces the value of the asset under finance lease by the amount of the principal portion through the recognition of depreciation; therefore, "other operating income" includes the principal portions accrued on lease agreements, as well as buyout payments and initial lump-sum lease instalments.
Among other operating income, it should be noted that the item "rental income from properties" increased as a result of generating income from non-operating properties owned by the Group and acquired through credit recovery, pending possible disposal.

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

Table 30.1: breakdown of item 90 "Net Premiums"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Non-life business	-	-	-	-
A1. Premiums written	-	-	-	-
A2. Premiums ceded – written basis	-	-	-	-
A3. Change in gross amount of premium provision	-	-	-	-
A4. Change in premium provision ceded to reinsurers	-	-	-	-
Total	**-**	**-**	**-**	**-**
B) Life business	21.129.639	29.682.108	-8.552.469	-28,81%
B1. Premiums written	21.129.639	29.682.108	-8.552.469	-28,81%
B2. Premiums ceded – written basis	-	-	-	-
Total	**21.129.639**	**29.682.108**	**-8.552.469**	**-28,81%**

Premiums written, amounting to €21,129,639, decreased by 28.81% compared with the previous financial year. This change is mainly attributable to the suspension, from July 2024, of the distribution of the "Life garantita 100" product, as the product range already included other capital-guaranteed products.

Table 30.2: breakdown of item 100 "Profit (Loss) from Insurance Management"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
1. Net change in technical provisions	7.287.732	18.413.891	-11.126.159	-60,42%
2. Claims incurred and paid during the year	20.527.587	25.252.925	-4.725.338	-18,71%
3. Other income and expenses from insurance operations	8.582.873	14.832.974	-6.250.101	-42,14%
Total	**-19.232.446**	**-28.833.842**	**-22.101.598**	**76,65%**

The change is attributable to valuation movements in the underlying assets and to changes in the insurance portfolio.
Reference should be made to the tables below for details of the individual components.

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
1) Non-life business	**-**	**-**	**-**	**-**
Change in other technical provisions of the non-life business, other than claims provisions, net of reinsurance cessions	-	-	-	-
2) Life business	**-**	**-**	**-**	**-**
A. Mathematical provisions	-9.110.566	-12.627.551	3.516.986	-27,85%
A1. Gross annual amount	-9.110.566	-12.627.551	3.516.986	-27,85%
A2. Quota ceded to reinsurers	-	-	-	-
B. Other technical provisions	-91.210	-373.912	282.702	-75,61%
B1. Gross annual amount	-91.210	-373.912	282.702	-75,61%
B2. Quota ceded to reinsurers	-	-	-	-
C. Other technical provisions where the investment risk is borne by policyholders	1.914.043	-5.412.428	7.326.471	-135,36%
C1. Gross annual amount	1.914.043	-5.412.428	7.326.471	-135,36%
C2. Quota ceded to reinsurers	-	-	-	-
Total	**-7.287.732**	**-18.413.891**	**11.126.159**	**-60,42%**

The change compared with the previous financial year is attributable to the calculation of the Technical Provisions performed by the Actuary.

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
1) Non-life business: claims expenses net of recoveries and reinsurance cessions	**-**	**-**	**-**	**-**
A. Amounts paid	-	-	-	-
A1. Gross annual amount	-	-	-	-
A2. Quota ceded to reinsurers	-	-	-	-
B. Change in recoveries net of quota ceded to reinsurers	-	-	-	-
C. Change in claims provisions	-	-	-	-
C1. Gross annual amount	-	-	-	-
C2. Quota ceded to reinsurers	-	-	-	-
2) Life business: claims expenses net of recoveries and reinsurance cessions	**-**	**-**	**-**	**-**
A. Amounts paid	20.308.302,21	25.319.469,00	-5.011.167	-19,79%
A1. Gross annual amount	20.308.302,21	25.319.469,00	-5.011.167	-19,79%
A2. Quota ceded to reinsurers	-	-	-	-
B. Change in provision for amounts payable	219.284,70	-66.544,00	285.829	-429,53%
B1. Gross annual amount	219.284,70	-66.544,00	285.829	-429,53%
B2. Quota ceded to reinsurers	-	-	-	-
Total	**20.527.587**	**25.252.925**	**-4.725.338**	**-18,71%**

Claims and surrender expenses amounted to €25,527,587, a decrease of 18.71% compared with the previous financial year.
In detail, claims and surrender expenses relate to surrenders paid during the financial year amounting to €17,909,037, claims settled during the financial year amounting to €2,334,120, the change in the reserve for amounts payable amounting to €219,285 and general expenses reclassified as settlement expenses amounting to €65,145.

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Other income from insurance operations	**-**	**-**	**-**	**-**
Income from investments	3.317.366	2.857.390	459.976	16,10%
Income and unrealised capital gains on investments where the risk is borne by policyholders and on investments arising from the management of pension funds	13.502.302	15.245.208	-1.742.906	-11,43%
Other technical income, net of reinsurance cessions	1.135.184	976.825	158.359	16,21%
Total	**17.954.852**	**19.079.423**	**-1.124.571**	**-**
Other expenses from insurance operations	**-**	**-**	**-**	**-**
Management expenses	460.763	1.121.490	-660.727	-58,92%
Property and financial expenses	32.027	45.076	-13.049	-28,95%
Property and financial expenses and unrealised capital losses on investments where the risk is borne by policyholders and on investments arising from the management of pension funds	8.879.189	3.079.883	5.799.306	188,30%
Total	**9.371.979**	**4.246.449**	**5.125.530**	**120,70%**

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

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

Table 31.1: number of employees by category and personnel cost

DESCRIPTION	Average as of 31/12/2025	Personnel expenses as of 31/12/2025	Personnel expenses as of 31/12/2025	Average as of 31/12/2024	Personnel expenses as of 31/12/2024	Personnel expenses as of 31/12/2024
A) Managers	**23,64**	**2.483.231**	**22**	**24,33**	**2.361.397**	**24**
of which In proportionately consolidated companies	*0,30*	*67.870*	*-*	*0,33*	*47.354*	*-*
B) Administrative staff	**12,33**	**1.041.642**	**12**	**13,42**	**1.043.082**	**13**
of which In proportionately consolidated companies	*-*	*-*	*-*	*-*	*-*	*-*
C) Remaining personnel	**82,94**	**5.387.780**	**82**	**85,75**	**5.219.962**	**82**
of which In proportionately consolidated companies	*8,70*	*447.998*	*8*	*8,08*	*399.949*	*8*
C1. Employees	82,94	5.387.780	82	72,50	5.219.962	82
of which In proportionately consolidated companies	*8,70*	*447.998*	*8*	*8,08*	*399.949*	*8*
C2. Other personnel	-	-	-	-	-	-
of which In proportionately consolidated companies	*-*	*-*	*-*	*-*	*-*	*-*
Total	**118,91**	**8.912.653**	**117**	**123,50**	**8.624.441**	**120**

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

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Other administrative expenses:	5.600.758	5.988.189	-387.431	-6,47%
of which fees to independent auditors	*95.470*	*73.390*	*22.080*	*30,09%*
of which fees for services other than auditing the financial statements	-	-	-	-
of which Other:	*5.505.288*	*5.914.799*	*-409.511*	*-6,92%*
Expenses for professional services	*572.271*	*1.199.371*	*-627.100*	*-52,29%*
Expenses for the purchase of non-professional goods and services	*2.025.386*	*1.906.638*	*118.748*	*6,23%*
Rents and fees	*2.034.140*	*1.735.567*	*298.573*	*17,20%*
Insurance premiums	*234.297*	*226.554*	*7.743*	*3,42%*
Supervisory charges	*532.187*	*625.372*	*-93.185*	*-14,90%*
Charity and sponsorship expenses	*5.850*	*20.150*	*-14.300*	*-70,97%*
Indirect taxes and duties	*101.158*	*201.147*	*-99.989*	*-49,71%*
Deposit guarantee fund contribution	-	-	-	-

In 2025, administrative expenses decreased by 6.47% compared with the previous year, despite inflationary pressures on procurement costs and the launch of new projects that generated additional expenses, confirming the Group's continued focus on controlling expenditure processes.

Table 31.3: remuneration

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Directors	249.854	230.085	19.769	8,59%
of which From the parent company	*113.275*	*121.770*	*-8.495*	*-6,98%*
B) Auditors	134.089	132.163	1.926	1,46%
of which From the parent company	*75.386*	*74.306*	*1.080*	*1,45%*
C) Management	545.563	435.167	110.396	25,37%
of which From the parent company	*435.167*	*435.167*	-	-
Total	**929.506**	**797.415**	**132.091**	**16,56%**

This table provides a breakdown of the remuneration paid to Directors and Statutory Auditors for the offices held within the Group, including attendance fees, as well as the remuneration paid to the Parent Company's General Management, which, at the end of 2025, comprised the General Manager and the Deputy General Manager.

Set out below is a summary of the loans granted to members of the administrative, management or supervisory bodies, relating exclusively to the Parent Company.

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

Transactions entered into by the Bank with related parties were carried out on normal market terms, as confirmed by the checks performed by the Parent Company's Internal Auditing Function. In the case of credit facilities, these checks were requested in advance by the Credit Unit during the assessment stage and were subsequently monitored on a periodic basis.

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

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
A) Intangible fixed assets	**467.079**	**447.583**	**19.496**	**4,36%**
of which On leased assets	*54.674*	*52.988*	*1.686*	*3,18%*
of which On other intangible fixed assets	*412.405*	*394.595*	*17.810*	*4,51%*
Software	227.003	191.776	35.227	18,37%
Start-up costs	1.184	-	1.184	100,00%
Research, studies and training	35.512	55.105	-19.593	-35,56%
Various multi-year costs	64.038	41.946	22.092	52,67%
Expenses for improvements to leased premises	13.136	18.645	-5.509	-29,55%
Concession rights and underpass works	41.812	41.814	-2	-
Positive consolidation differences	29.721	45.309	-15.588	-34,40%
Total	**467.079**	**447.583**	**19.496**	**4,36%**
B) Tangible fixed assets	**9.529.911**	**9.203.739**	**326.172**	**3,54%**
of which On leased assets	*8.144.631*	*7.861.213*	*283.418*	*3,61%*
of which: on other tangible fixed assets	*1.385.280*	*1.342.526*	*42.754*	*3,18%*
Furniture, safes and systems	139.227	96.157	43.070	44,79%
Electronic equipment	186.103	181.168	4.935	2,72%
Motor vehicles	21.080	21.080	-	-
Properties and land	1.006.634	983.147	23.487	2,39%
Equipment and machinery	4.486	3.174	1.312	41,34%
Other assets	-	-	-	-
Assets available from credit recovery	27.750	57.800	-30.050	-51,99%
Total	**9.529.911**	**9.203.739**	**326.172**	**3,54%**

Additions to the accumulated depreciation of fixed assets used in the Company's operations represent the depreciation charges attributable to the financial year, calculated on the basis of their remaining useful lives and, as a rule, corresponding to the rates established by the tax provisions of Law No. 166 of 16 December 2013.
Depreciation charges also include the principal portions of lease instalments accrued during the financial year in respect of assets subject to finance leases, recognised simultaneously as income under "other operating income", pursuant to Article IV.V.5 of BCSM Regulation No. 2016/02.

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Provisions (relating to the sub-item "other provisions" of liabilities):	-	-	-	-
Provision for charges relating to disputes and pending litigation	150.000	270.209	-120.209	-44,49%
Provision for charges to be settled	71.857	5.235	66.622	1272,62%
Provision for risks and charges	47.081	319.907	-272.826	-85,28%
Total	**268.938**	**595.351**	**-326.413**	**-54,83%**

Table 32.3: item 150 "Provisions for credit risks"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Provisions (relating to the "provisions for credit risks" item under liabilities)	-	-	-	-
Provision for credit risks	5.000	14.900	-9.900	-66,44%
Total	**5.000**	**14.900**	**-9.900**	**-66,44%**

In 2025, the Provision was increased by €5,000 in relation to the subsidiary BAC Trustee S.p.A.

Table 32.4: breakdown of item 160 "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%**
of which:	-	-	-	-
Lump-sum adjustments for country risk	-	-	-	-
Other lump sum adjustments	584.678	623.817	-39.139	-6,27%
B) Provisions for guarantees and commitments	**-**	**-**	**-**	**-**
of which:	-	-	-	-
Lump-sum provisions for country risk	-	-	-	-
Other lump-sum provisions	-	-	-	-
Total	**5.506.944**	**6.431.238**	**-924.294**	**-14,37%**

The impairment losses recognised during the financial year, corresponding to the individual and collective impairment adjustments applied to the loan portfolio, provide coverage of total on-balance-sheet loans of 3.70%, compared with 4.08% as at 31/12/2024.

Net impairment losses on loans and provisions for guarantees and commitments amounted to €4,204,201, comprising: €5,506,944 in provisions and impairment losses on loans (Table 32.5) and €1,302,743 in impairment reversals arising from collections and valuations (Table 32.6). During the financial year, the phased recognition in the Profit and Loss Account of the impairment adjustments arising from the Asset Quality Review (AQR) continued, amounting to €4,581,762.

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

DESCRIPTION	31/12/2025		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. Non-performing loans	-	-	-	-	-	-
B2. Probable defaults	-	-	-	-	-	-
B3. 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**	**-924.294**	**-14,37%**
Total		**5.506.944**		**6.431.238**		

Table 32.6: breakdown of item 170 "Writebacks on loans and on provi¬sions for guarantees and commitments"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Value adjustments	1.302.743	2.029.189	-726.446	-35,80%
of which On non-performing loans	*229.196*	*346.328*	*-117.132*	*-33,82%*
of which On probable defaults	*313.031*	*954.181*	*-641.150*	*-67,19%*
of which On impaired past due and/or in arrears	*5.079*	*5.813*	*-734*	*-12,63%*
of which On other receivables	*755.437*	*722.867*	*32.570*	*4,51%*

Table 32.7: breakdown of item 180 "Impairment losses on financial fixed assets"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Value recoveries	26.580	-	26.580	100,00%
of which On equity investments	*26.580*	-	*26.580*	*100,00%*
of which On equity investments measured using the equity method	-	-	-	-
of which On other capital financial instruments	-	-	-	-
of which On other debt financial instruments	-	-	-	-
of which On other derivative financial instruments	-	-	-	-

The impairment loss is attributable to the coverage of the 2024 loss of the investee company NCO Immobiliare S.r.l.

Table 32.8: breakdown of item 190 "Reversals of impairment on financial fixed assets"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Value adjustments	3.770	98.302	-94.532	-96,16%
of which On equity investments	-	-	-	-
of which On equity investments measured using the equity method	-	-	-	-
of which On other capital financial instruments	*3.770*	*98.302*	*-94.532*	*-96,16%*
of which On other debt financial instruments	-	-	-	-
of which On other derivative financial instruments	-	-	-	-

The reversals of impairment 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 proprietary fixed securities portfolio.

As already stated in the valuation criteria, equity investments in subsidiaries are measured using the cost method.

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

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

Data not present.

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

Table 34.1: Breakdown of items 220 – 230 "Extraordinary income", "Extraordinary expenses"

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Extraordinary income	-	-	-	-
- Contingent assets	140.768	709.913	-569.145	-80,17%
- Receipts on positions passed to losses	-	-	-	-
- Termination of customer relations	6	124	-118	-95,16%
- Release of the complaints and revocatory fund	-	-	-	-
- Other extraordinary income	1.508.395	57.874	1.450.521	2506,34%
- Recognition of deferred tax assets pursuant to law no. 154/2019	-	-	-	-
- Capital gains from sale of real estate	131.051	148.758	-17.707	100,00%
- Capital gains on investment securities	50.276	-	-	-
Total	**1.830.496**	**916.669**	**913.827**	**99,69%**
Extraordinary charges	-	-	-	-
- Write-down on investment securities transferred – loss on investment securities	50.270	-	50.270	100,00%
- Transaction claims	-	-	-	-
- Repayment of interest income, commissions	2.528	107	2.421	2262,62%
- Termination of customer relations	-	-	-	-
- Other extraordinary charges	288.503	413.461	-124.958	-30,22%
Total	**341.301**	**413.568**	**-72.267**	**-17,47%**

Extraordinary income increased compared with the previous financial year, due to contingent income mainly attributable to the completion of the liquidation of the Odisseo Fund and to liabilities that are now time-barred.

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

Table 35.1: Breakdown of item 250 "Change in the provision for future risks and charges"

Data not present.

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

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

DESCRIPTION	31/12/2025	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%**

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

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

DESCRIPTION	31/12/2025	31/12/2024	CHANGE	
			Amount	%
Profit (loss) for the year attributable to minority interests	-	-	-	-
1. San Marino Finanza e Previdenza Srl	13.445	11.965	1.480	12,37%
Total	**13.445**	**11.965**	**1.480**	**12,37%**

PART E – Other information tables

41. Securitisation transactions

Following completion of the system-wide securitisation transaction, on 14/12/2023 the Parent Company BAC subscribed for the following ABS securities: Junior-class ABS securities with a nominal value of €7,034,980 and Mezzanine-class ABS securities with a nominal value of €4,376,188, both included in the fixed portfolio and measured at a subscription price of 100; the Senior-class ABS securities, with a nominal value of €6,368,692, were placed on the money market. In accordance with the Transaction Programme and the applicable legislation, part of the proceeds received from the sale of the Senior ABS securities was pledged as security for the transaction.
Compared with the initial subscription, the Bank currently holds Junior-class securities with a total nominal value of €6,126,093 and Mezzanine-class securities with a total nominal value of €5,938,162, following the exchange completed in 2024 with the non-bank transferors pursuant to commitments undertaken as part of the securitisation transaction, as well as the transfer of the assets underlying the Loan Management Fund during the first half of 2025 following the Fund's placement into liquidation.
The value of these securities as at 31/12/2025 was maintained at 100 on the basis of the following supporting factors:

- during the period from the issue of the Notes to 31/12/2025, the securitisation transaction achieved collection performance at every payment date that exceeded the initial estimates, as also demonstrated by the partial repayment of the Senior tranche for an amount exceeding the initial forecasts;
- the Junior tranche is subject to specific prudential treatment that allows the gradual absorption of regulatory capital (in this regard, supporting the positive performance of the transaction, the risk weight had not deteriorated as at December 2025 as a result of collection trends);
- the Mezzanine tranche is also subject to a penalising, although stable, prudential regime.

The maintenance of the current valuation is also supported, to date, by the positive collection performance. Further assessments will be made following future reviews of the continued performance of the transaction.

It should be recalled that the following companies were established to complete the securitisation transaction and to ensure the recovery of the loans transferred by the Banks to Veicolo di Sistema:

- I.G.R.C. S.p.A., the Master Servicer of the transaction, in which BAC holds a 10.08% interest, in proportion to the loans transferred, together with the other San Marino banks and the Most Excellent Chamber;
- S3 – Special Servicer Sammarinese S.r.l., appointed to act as Special Servicer for the transaction, in which BAC holds 33.00% of the share capital together with the other originator banks.

The table below summarises the ABS securities held and included in the Parent Company's fixed portfolio.

ISIN	DESCRIZIONE	31/12/2025	31/12/2024
XS2730789166	VEICOLO DI SISTEMA 6% 23/46 MEZZANINE	1.045.622	746.607
XS2730789083	VEICOLO DI SISTEMA 6% 23/46 MEZZANINE	516.352	516.352
XS2730788945	VEICOLO DI SISTEMA 6% 23/46 MEZZANINE	4.376.188	4.376.188
XS2730789596	VEICOLO DI SISTEMA TV% 23/46 JUNIOR	5.832.211	5.774.130
XS2728633343	VEICOLO DI SISTEMA TV% 23/46 JUNIOR	209.622	-
XS2730789752	VEICOLO DI SISTEMA 23/46 JUNIOR	84.261	
	Totale	**12.064.255**	**11.413.277**

42. Time distribution of assets and liabilities

Table 42.1: 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	**706.299.220**	**136.093.213**	**46.033.953**	**16.474.008**	**16.584.278**	**9.521.244**	**8.456.132**	**7.597.664**	**13.141.794**	**56.177.634**	**49.942.812**	**130.114.992**	**180.084.853**	**36.076.643**
1.1 Treasury securities and other financial instruments eligible for refinancing with central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Loans to credit institutions	95.122.352	70.632.059	-	-	440.905	-	-	-	-	-	-	-	-	24.049.388
1.3 Loans to customers	270.227.671	54.729.905	34.967.447	9.737.470	12.124.388	1.908.172	8.456.132	1.576.556	7.745.820	5.594.581	47.362.812	11.339.923	64.578.710	10.105.755
1.4 Bonds and other debt financial instruments	311.616.549	-	5.722.867	3.255.738	-	6.702.024	-	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	29.332.648	10.731.249	5.343.639	3.480.800	4.018.985	911.048	-	1.062.950	-	1.476.438	-	2.307.539	-	-
2) Liabilities	**756.134.466**	**471.693.891**	**34.119.948**	**92.647.007**	**90.573.722**	**28.746.493**	**755.344**	**27.227.907**	**309.274**	**5.618.726**	**2.131.576**	**2.307.539**	**3.039**	**-**
2.1 Due to credit institutions	4.465.200	2.797.918	12.043	11.231	849.532	-	30.433	558.118	46.990	-	155.896	-	3.039	-
2.2 Due to customers	540.921.956	457.173.822	-	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	29.332.648	10.731.249	5.343.639	3.480.800	4.018.985	911.048	-	1.062.950	-	1.476.438	-	2.307.539	-	-

43. More information on credit cards/debit cards/E MONEY

Table 43.1: 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**	**29.703**	**81.845.809**	**1.272.488**	**42.070**	**29.261**

Table 43.2: 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	**15.675**	**83**	**4.050**	**-**	**8.227**	**107**	**-**	**-**

Table 43.3: credit cards revoked due to default

Dati non presenti.

Table 43.4: 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	544	-	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

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

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

DESCRIPTION	31/12/2025	31/12/2024
A) Mutual funds established by the company:	-	-
Bac Global Cauto	49.478.432	37.587.138
Bac Global Prudente	33.479.742	32.601.498
Bac Global Bilancio	11.380.255	13.626.593
Bac Global Dinamico	4.526.286	4.125.935
Bac Global Equity	4.373.912	3.826.558
Bac Absolute Return	67.090.501	39.506.261
Bac Strategic Income	1.790.501	774.579
Total A) Mutual funds established by the company	**172.119.629**	**132.048.562**
B) CIS established by third parties and managed under delegation by the management company:	-	-
Total B) CIS established by third parties and managed under delegation by the management company	-	-
C) Assets managed individually by the management company:	-	-
Total C) Assets managed individually by the management company	-	-
Total	**172.119.629**	**132.048.562**

PART F – Other information

There is no other information to be disclosed.

San Marino, 26 june 2026

The General Manager | The Chairman of the Board of Directors

05

Independent auditors' report

BANCA AGRICOLA COMMERCIALE
Istituto Bancario Sammarinese

ab&d

audit business & development spa

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

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

Judgement

We have audited the consolidated financial statements of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group (hereinafter also the "Group"), which comprise the consolidated statement of Assets and Liabilities as of 31/12/2025, the consolidated profit and loss account for the year then ended, and the consolidated explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2025 and of its financial performance for the year then ended, in accordance with the regulations of San Marino, including Regulation No. 2016-02 issued by the Central Bank of the Republic of San Marino governing their drafting criteria.

Basis for Judgement

We conducted our audit in accordance with the auditing standards in force in the Republic of San Marino and, where applicable, international auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. (hereinafter also the "Parent Bank") in accordance with the ethics and independence rules and principles applicable in the San Marino legal system to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A note to public disclosure

Without qualifying our opinion, we draw attention to the information contained and further detailed in the Consolidated Report on Operations and in the Consolidated Explanatory Notes regarding the following significant matters.

- The Group's financial statements as of 31/12/2025 were prepared continuing the amortization of value adjustments arising from the AQR (Asset Quality Review) exercise, as 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 addressed to the Parent Bank), over a ten-year period starting in 2019. As a result of this amortization process, the deferred value adjustments, recorded under item 150 of the consolidated assets "Other assets" as of 31/12/2025, amount to €13,745,285, with an impact on the 2025 consolidated profit and loss account of €4,581,762, recorded under item 160 "Value Adjustments to receivables and to provisions for guarantees and commitments".

- As at the year-end closing date, the Group's financial statements include mezzanine notes totaling €5,938,162 and junior notes totaling €6,126,093 arising from the systemic Securitization transaction under Law No. 157 of 30 August 2021 and subsequent amendments, finalized at the end of 2023, in which the Parent Bank participated as originator. These amounts include the tranches most recently received during the year arising from the distribution of assets from the Loan Management Fund. With regard to the notes in question, the Group's financial statements report a carrying value equal to their issue value. These are fixed financial instruments subject to a gradual and progressive weighting process at the prudential supervisory level, the determinations of which, with regard to their recoverable value, will be carried out by the Parent Bank following future verifications on the continuation of the transaction, all as further detailed and explained in paragraph 41 of the Consolidated Explanatory Notes.

- The Parent Bank, as permitted by the regulations, allocated €276,778 to item 100 of the consolidated liabilities "Fund for General Financial Risks", as a capital strengthening measure to address possible future risks; as a result, this fund stands at a total value as of 31/12/2025 of €1,700,000, all as detailed at the foot of Table 22.1 of the Consolidated Explanatory Notes.

Responsibilities of directors and the board of statutory auditors for the consolidated financial statements
The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the regulations of San Marino governing their preparation criteria and, within the terms provided by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or unintentional conduct or events.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in this regard. The Directors use the going concern assumption in preparing the consolidated financial statements unless they have assessed that the conditions exist for the liquidation of the Parent Bank or for the cessation of operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors is responsible, within the terms provided by law, for overseeing the Group's financial reporting process.

Responsibility of the auditing firm for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or unintentional conduct or events, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in force in the Republic of San Marino

and, where applicable, international auditing standards, will always detect a material misstatement when it exists. Misstatements can arise from fraud or unintentional conduct or events and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.
As part of an audit conducted in accordance with the auditing standards in force in the Republic of San Marino and, where applicable, international auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

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

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control identified during the course of the audit.

Report on other provisions of law and regulations

Judgment pursuant to article VIII.I.1, paragraph 2, letters a) and b) of Regulation no. 2016-02 issued by the Central Bank of the Republic of San Marino (the "Regulation")

The Directors of BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE S.p.A. are responsible for the preparation of the Consolidated Report on Operations of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2025, including its consistency with the related consolidated financial statements and its compliance with the Regulation.

We performed the procedures set out in auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the Consolidated Report on Operations with the consolidated financial statements of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2025 and on its compliance with the Regulation, as well as to issue a statement on any material misstatements.

In our opinion, the Consolidated Report on Operations is consistent with the consolidated financial statements of the BANCA AGRICOLA COMMERCIALE ISTITUTO BANCARIO SAMMARINESE Group as of 31/12/2025 and is prepared in compliance with the Regulation.

With regard to the declaration referred to in Art. VIII.I.1, paragraph 2, letter b) of the Regulation, based on the knowledge and understanding of the entity and its context obtained during the course of the audit engagement, we have nothing to report.

San Marino, 10 July 2026

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

Marco Stolfi
Director

Audit and accounting organisation company
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BANCA AGRICOLA COMMERCIALE
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