Financial Statements at 31 December 2024

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

General Information

General Information

Head Office

Corso Massimo D'Azeglio 33/E

Tel: 011/63.19.111 – Fax 011/63.19.119

Shareholder structure

Santander Consumer Bank S.p.A. is wholly owned by Santander Consumer Finance S.A.

Directors and officers

Board of Directors

Chairman	Ettore Gotti Tedeschi
Chief Executive Officier	Alberto Merchiori
Directors	Pedro De Elejabeitia Rodriguez
	Antonia Casamassima
	Ida Annalisa Lo Pomo
	Ramon Guillermo Javier Billordo
	Rafael Moral Salarich
	Pedro Miguel Aguero Cagigas
	Silvia Fidanza

Board of Statutory Auditors

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

General Manager

Alberto Merchiori

Indipendent Auditors

PricewaterhouseCoopers S.p.A.

History and Ownership

November 1988

Santander Consumer Bank SpA is established under the name of Finconsumo SpA

2001

Finconsumo SpA became Finconsumo Banca Spa

2004-2006

Santander Consumer Finance S.p.A. becomes 100% shareholder of Finconsumo Banca S.p.A. In 2006, the latter was renamed Santander Consumer Bank S.p.A.

2013-2015

- Santander Consumer Bank SpA acquires 100% of Santander Consumer Unifin Spa (formerly Unifin SpA)
- Merger by incorporation of di Santander Consumer Unifin SpA

2015

Establishment of the JV Banca PSA SpA following an agreement between Santander Consumer Bank SpA and Banque PSA Finance (50%-50%)

2018

Banca PSA SpA acquires PSA Renting SpA (100%)

2020

Establishment of the JV TIMFin SpA following an agreement between Santander Consumer Bank SpA and TIM SpA (51%-49%)

2022

Santander Consumer Bank SpA comprises:

- Santander Consumer Renting Srl (wholly owned 100%)
- Drive Srl (wholly owned)

2023

Reorganization of Stellantis' fiNancial activities with its financial partners:
Banca PSA SpA becomes Stellantis Financial Services Italia
PSA Renting SpA becomes Stellantis Renting Italia
(the participation structure remains unchanged)

STELLANTIS RENTING STELLANTIS FINANCIAL SERVICES

Entry of third part partners in Drive Srl, shareholdings:
- AutoTorino SpA - 12,5%
- AGBA SpA - 12,5%
- Santander Consumer Bank SpA 75%

Santander

Consolidated Financial Statements of the Santander Consumer Bank Group

Report on Group Operations

Report on Group Operations

A - The reference market

A.1 - The macroeconomic scenario

The global economy

The global economy slows down its growth, despite a positive first part of the year, reaching GDP of just over 3% according to OECD estimates. This performance is mainly linked to the weaknesses of the manufacturing sector, as can be seen in the main world economies, such as the United States (mainly affected by the cooling off of the labour market) and China (mainly affected by the crisis in the real estate sector). In addition, geopolitical uncertainties, essentially linked to the tensions of the conflicts in Ukraine and Palestine, remain.

With the gradual reabsorption of the inflationary effect, all Central Banks are progressively reducing the official rates. At the same time, the Chinese Central Bank has also adopted an array of extraordinary expansionary measures to meet internal needs.

In the Eurozone, the trends were similar, with inflation estimated by the ECB at 2.5% for 2024, 2.2% for 2025 and 1.9% for 2026. Consequently, the cost of money fell by 1% overall compared to 2023.

Data source: Bank of Italy Economic Bulletin

The Italian economy

In Italy, economic activity recorded GDP growth of 0.5%, down compared to the growth recorded in 2023, due to the weakness of the manufacturing sector and the negative contribution of net exports.

Employment showed positive signs, despite small fluctuations time-wise. Furthermore, recent contractual renewals are favouring a gradual recovery of the purchasing power of real wages and salaries.

Loans to households and businesses benefited from the reduction in the cost of bank funding. Despite a slight easing of supply criteria in the first quarter, bank loans to non-financial companies continued to decline, mainly due to lower demand of credit for investments. By contrast, the downturn in loans to households came to a halt and, albeit marginally, they returned to an upward trend for the first time since early 2023.

According to preliminary information available, in 2024 the State current account surplus expanded and the ratio of debt to GDP rose slightly to a forecast value of 135.8%. The budget for the three-year period 2025-27 was approved in December and envisages an increase in net spending of 1.6%, which will be structurally reabsorbed in 2026.

At the same time, the European Union continues to support the NRRP (National Recovery and Resilience Plan) aimed at helping member countries.

With a view to the future, Italian GDP should therefore also find future benefits in the afore-mentioned measures and the gradual recovery of household purchasing power. In fact, the Eurosystem's forecasts show an increase in GDP of 0.6% in 2024 and 2% in each of the following two years. This result will also be possible thanks to the evolution of the consumer price trend of 1.1% in 2024, 1.6% in 2025 and 1.6% in 2026.

Data source: Bank of Italy Economic Bulletin

A.2 - Industry trends

Consumer credit

2024 recorded an increase (+7.2%) in total consumer credit (Euro 90.3 billion in new disbursements, consisting of 701 thousand transactions), in light of the more restrictive conditions for accessing credit and the simultaneous rise in interest rates.

With regard to the individual underlying segments, the following is identified:

- +11.2% for personal loans;
- +7.8% for car loans;

- +0.0% for special-purpose loans;
- -0.2% for salary assignment;
- +2.2% for cards.

The average amount of loans increased (+9.1%), standing at a value of Euro 9,260.

The default rate of credit to households remains slightly higher than the minimum recorded in the previous year (1.4%) and does not show any structural risk elements.

For 2025, moderate growth is expected in the personal loans segment. Overall, the expansion of loan volumes will be lower than the performance of the 2023-2024 two-year period, also because the higher expected risk will keep supply policies cautious.

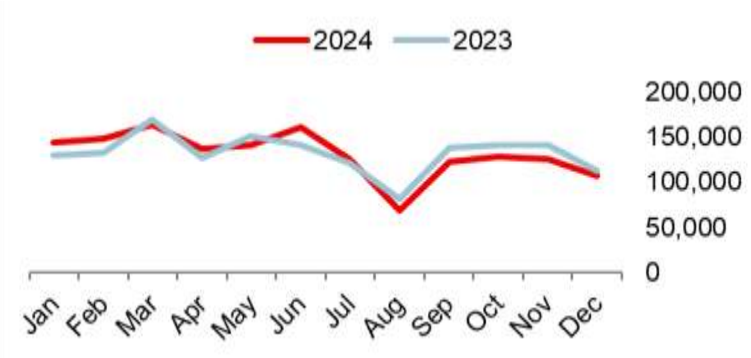
Investments in technology remain an important factor in developing digital channels and not losing market shares to keep up with the continuous innovations introduced by FinTech/Big Tech operators. Looking ahead, the new directive on consumer credit (Directive no. 2023/2225/EU - CCD II), which aims to create a common regulation for all operators, will further market growth and protect consumers from the risks of over-indebtedness.

In the context of increasing attention to the transition towards a sustainable economy, also by the European regulator, supply policies increasingly aligned with ESG criteria represent an important opportunity for market expansion, with the offer of products that can meet the demand for a clientele more attentive to sustainability issues.

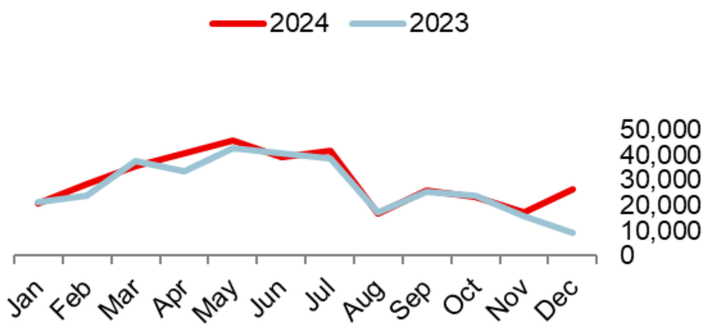
In particular, for the connected car segment, new vehicle registrations recorded a decrease of -0.8% in 2024, with 1,577,262 cars. On the other hand, registrations of two-wheel vehicles (>50 cc) reached 362,136 units (+10.1%).

Data source: Assofin

Motor vehicle registrations



Motorcycle registrations

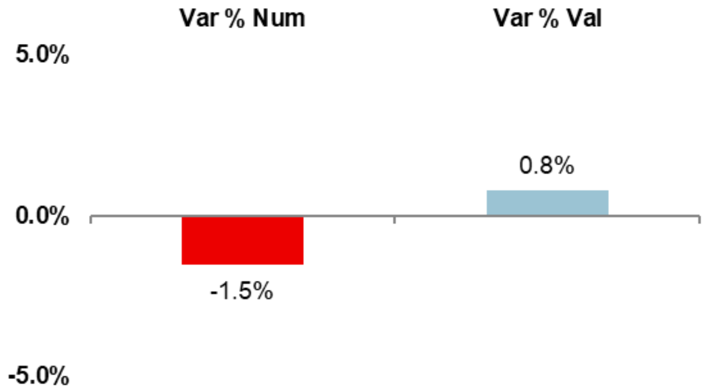


Leases

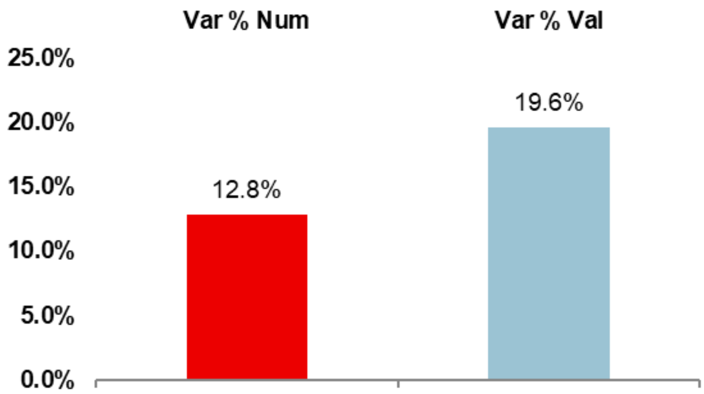
The car lease market decreased (-13.3%) for a total volume of approximately Euro 20.5 billion in new disbursements. The performance relating to cars was down (-1.5%), while leases relating to commercial vehicles were up (+12.8%).

Data source: Assilea

Motor Vehicle leases



Commercial Vehicle leases



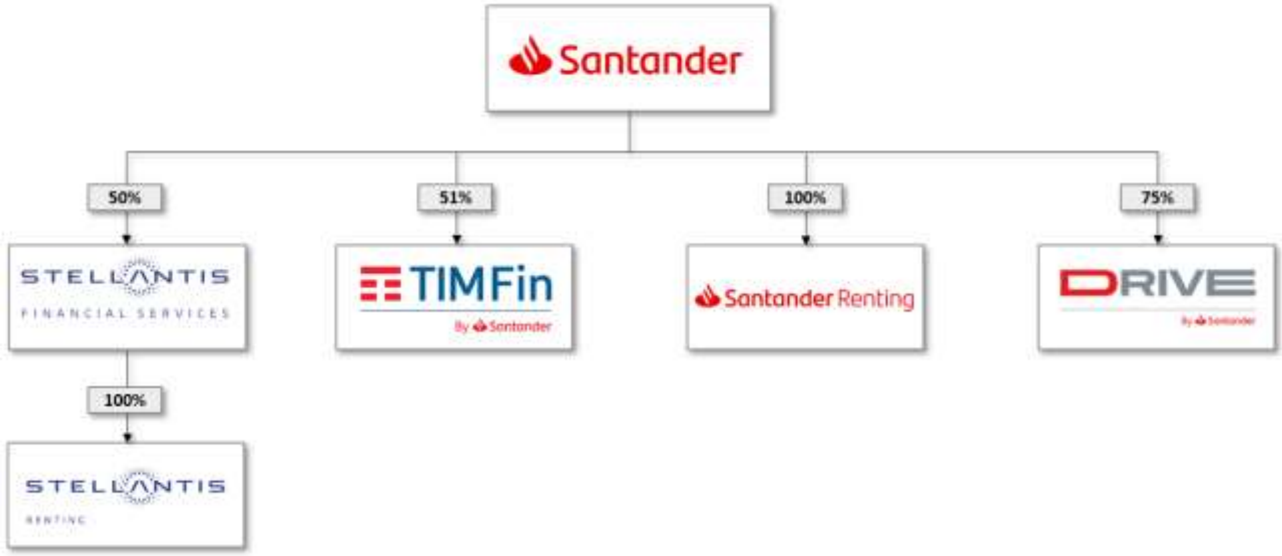
B - The Santander Consumer Bank S.p.A. Group

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

The Group operates in full managerial autonomy in accordance with the strategic and operational guidelines issued by the Parent Company Santander Consumer Finance S.A., which carries out management and coordination pursuant to article 2497 bis of the Italian Civil Code and article 23 of Italian Legislative Decree no. 385 of 1 September 1993, as updated to incorporate the amendments introduced by Italian Legislative Decree no. 223 of 14 November 2016.

The Notes to the financial statements are accompanied by a statement summarising the essential data of the last set of approved financial statements (those for the year ended 31 December 2023) of the entity that carries out management and coordination.

B.2 - Group companies



Stellantis Financial Services Italia S.p.A.

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

Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	176.3	120.8	55.5	45.9%
Net commission	54.1	25.2	28.9	114.7%
Net result of financial assets and liabilities at fair value	13.5	23.6	(10.1)	-42.8%
Net other operating incomes / costs	9.4	9.1	0.3	3.3%
Operating incomes	**253.3**	**178.7**	**74.6**	**41.7%**
Payroll costs	(35.4)	(34.7)	(0.7)	2.0%
Administrative costs	(45.4)	(40.2)	(5.2)	12.9%
Amortizations	(15.5)	(11.9)	(3.6)	30.3%
Operating costs	**(96.3)**	**(86.8)**	**(9.5)**	**10.9%**
Operating result	**157.0**	**91.9**	**65.1**	**70.8%**
Net adjustments on financial activities	(29.2)	1.3	(30.5)	-2346.2%
Other net accrual	(0.1)	(5.0)	4.9	-98.0%
Contribution to banking system	-	(1.0)	1.0	-100.0%
Profit or loss before tax	**127.7**	**87.2**	**40.5**	**46.4%**
Tax	(38.1)	(26.4)	(11.7)	44.3%
Profit or loss after tax	**89.6**	**60.8**	**28.8**	**47.4%**

Operating income increased (+41.7%), thanks to the volumes of new business disbursed, with related insurance products placed, despite the reduction in the spreads between interest income and expense, only partially mitigated (effect of hedging derivatives).

Operating costs were up (+10.9%), due to the increase in administrative costs and amortisation/depreciation (mainly deriving from intangible rights related to the incorporation of the company recognised in April 2023).

Net adjustments on loans, amounting to Euro 157.0 million, were up (+70.8%) due to various events mainly attributable to the increase in the portfolio, as well as the Post Model Adjustment releases that took place in 2023. For further details, please refer to the matters indicated in the Notes to the consolidated financial statements - part E.

Taxes were up (+44.3%), in proportion to the performance of the profit before tax.

Profit after tax amounted to Euro 89.6 million (Euro 60.8 million in 2023).

Main balance sheet aggregates

Loans to customers, amounting to Euro 8,212.4 million, an increase (+23.8%), break down as follows: Car Loans 60%, Leases 8.7%, loans to Corporate Dealers for Stock Financing transactions 31.2%.

This growth was essentially driven by new business dynamics, which in 2024 amounted to Euro 3,467 million, an increase (77%), thanks to the development of consolidated relationships by means of the agreement achieved in 2023, despite the drop in the market share of the Stellantis Group in the Italian automotive market. In this context, Stellantis Financial Services Italia concentrated its commercial activities in order to maximise the profitability of instalment products with a particular focus on increasing the placement of insurance products.

Financial payables, equal to Euro 8,229.7 million, were up (+29.0%), thanks to:

- bank funding, which accounts for 64.5% of total funding and stands at Euro 5,311.6 million, up +23.8%, despite the natural repayment of TLTRO III loans granted by the central bank for Euro 309.3 million, thanks to the support of the Spanish Parent Company.
- customer funding, which accounted for 35.5% of total funding and stood at Euro 2,918.0 million, up 23.1%, thanks to the significant contribution of SRT (Significant Risk Transfer) securitisation transactions placed on the market.

Stellantis Renting Italia S.p.A.

The mission of Stellantis Renting Italia, created in 2023 from the partnership between Santander Consumer Bank and Stellantis, following the previous venture established in 2014 via PSA Renting, is to support the sale of vehicles produced by industrial partners by means of the performance of services to the long-term rental retail industry through the Stellantis dealer network. In this case, the product at consolidated level is represented as a finance lease, as there is the presence of residual value guaranteed by the Stellantis Group.

Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	11.1	17.0	(5.9)	-34.7%
Net commission	22.9	22.9	-	0.0%
Net other operating incomes / costs	(19.9)	(11.1)	(8.8)	79.3%
Operating incomes	**14.1**	**28.8**	**(14.7)**	**-51.0%**
Payroll costs	(2.2)	(1.3)	(0.9)	69.2%
Administrative costs	(2.5)	(3.0)	0.5	-16.7%
Amortizations	(0.1)	(0.1)	-	0.0%
Operating costs	**(4.8)**	**(4.4)**	**(0.4)**	**9.1%**
Operating result	**9.3**	**24.4**	**(15.1)**	**-61.9%**
Net adjustments on financial activities	(2.5)	(0.2)	(2.3)	1150.0%
Other net accrual	(0.2)	(0.1)	(0.1)	100.0%
Profit or loss before tax	**6.6**	**24.1**	**(17.5)**	**-72.6%**
Tax	(2.0)	(6.9)	4.9	-71.0%
Profit or loss after tax	**4.6**	**17.2**	**(12.6)**	**-73.3%**

Operating income decreased (-51%), due to new business trends (detailed below) and the elimination of the related extraordinary indemnity of Euro 8.5 million, recognised in 2023, despite a stabilisation from commission-related penetration.

Operating costs, amounting to Euro 4.8 million, were stable overall.

Net adjustments on loans amounting to Euro 2.5 million, increased (+2.3 million), due to a related increase in Stage 2 and 3 compared to the total portfolio, which was down; for greater details please refer to the Notes to the consolidated financial statements - part E.

Taxes for Euro 2.0 million were down (-71.0%), mainly due to the reduction in the taxable basis.

Profit after tax amounted to Euro 4.6 million (Euro 17.2 million in 2023).

Main balance sheet aggregates

Loans to customers, amounting to Euro 248.0 million, were down (-24.3%), due to new business trends, which in 2024 were under pressure following the limitation to the B2C market, deriving from the non-compete agreement on the B2B market with the other financial competitors of the Stellantis Group.

Financial payables, amounting to Euro 241.3 million, decreased (-20.2%), in relation to the needs of the assets and consist of funding from the Spanish Parent Company.

TIMFin S.p.A.

The mission of TIMFin, created as a result of the partnership between Santander Consumer Bank and TIM, and operational since 2021, is to provide retail loans mainly for the purchase of devices ("handsets" or "smartphones") and associated services with the affiliated TIM network.

Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	24.8	22.1	2.7	12.2%
Net commission	4.3	2.1	2.2	104.8%
Net other operating incomes / costs	3.1	2.9	0.2	6.9%
Operating incomes	**32.2**	**27.1**	**5.1**	**18.8%**
Payroll costs	(4.2)	(3.9)	(0.3)	7.7%
administrative costs	(10.4)	(12.1)	1.7	-14.0%
Amortizations	(0.4)	(0.4)	-	0.0%
Operating costs	**(15.0)**	**(16.4)**	**1.4**	**-8.5%**
Operating result	**17.2**	**10.7**	**6.5**	**60.7%**
Net adjustments on financial activities	(15.4)	(10.6)	(4.8)	45.3%
Profit or loss before tax	**1.8**	**0.1**	**1.7**	**1700.0%**
Tax	(0.7)	(0.1)	(0.6)	600.0%
Profit or loss after tax	**1.1**	**0.0**	**1.1**	**100.0%**

Operating income increased (+18.8%), thanks to the new business strategies (detailed below), as well as to the constant maintenance of the spreads between interest income and expense, deriving from the contractual repricing mechanisms.

Operating costs were down (-14%) due to a lower operating cost incurred on the modem segment and a general rationalisation of overheads.

Net adjustments on loans increased (45.3%) due to various events mainly attributable to the change in the breakdown of the portfolio and the increase of the portfolio in stages 2 and 3 also connected to the review of the Significant Increase in Credit Risk parameters. These effects are partially mitigated by the management of Post Model Adjustments. For further details, please refer to the matters indicated in the Notes to the consolidated financial statements - part E.

Taxes, amounting to Euro 0.7 million, increased (Euro +0.6 million) in proportion to the performance of the taxable base.

Profit after tax stood at Euro 1.1 million (break-even in 2023).

Main balance sheet aggregates

Loans to customers, amounting to Euro 500.8 million, were down (-7.4%), due to new business trends, which in 2024 came to Euro 311.0 million, thus decreasing (-19.3%), mainly due to the planned interruption of the factoring product on TIM modems (Euro -70 million). In this context, TIMFin has concentrated its commercial activities in order to maximise the profitability of instalment products with a particular focus on increased insurance penetration.

Financial payables, amounting to Euro 443.3 million, decreased (-8.1%), in relation to the needs of the assets and consist of funding from the Spanish Parent Company.

Santander Consumer Renting S.r.l.

The mission of Santander Consumer Renting, established in 2022 by Santander Consumer Bank, is to provide long-term rental services at the strategic level of the Spanish Group. At present, the initial structuring phase has been completed and a controlled growth process is underway aimed at a gradual streamlining of the related systemic structure.

Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	(2.2)	(0.2)	(2.0)	1000.0%
Net commission	(0.2)	-	(0.2)	100.0%
Net other operating incomes / costs	2.6	0.3	2.3	766.7%
Operating incomes	**0.2**	**0.1**	**0.1**	**100.0%**
Payroll costs	(2.1)	(1.3)	(0.8)	61.5%
Administrative costs	(1.1)	(1.1)	-	0.0%
Amortizations	(0.5)	(0.4)	(0.1)	25.0%
Operating costs	**(3.7)**	**(2.8)**	**(0.9)**	**32.1%**
Operating result	**(3.5)**	**(2.7)**	**(0.8)**	**29.6%**
Profit or loss before tax	**(3.5)**	**(2.7)**	**(0.8)**	**29.6%**
Tax	0.8	0.7	0.1	14.3%
Profit or loss after tax	**(2.7)**	**(2.0)**	**(0.7)**	**35.0%**

Operating income increased (Euro +0.1 million), due to new business trends (detailed below). The results in 2024 still show an overall squeeze on operating lease income compared to the cost of funding and depreciation of leased cars. This configuration will improve with the size development of the fleet and the related profitability, also influenced by the fair value of the cars.

Operating costs increased (+32.1%), mainly due to the strengthening of the workforce.

Positive taxes of Euro 0.8 million increased (+14.3%), and are characterised by the recognition of deferred tax assets on losses and interest expense that are temporarily non-deductible, considering the assumption of future recoverability of the same.

The loss after tax amounted to Euro -2.7 million (Euro -2.0 million in 2023).

Main balance sheet aggregates

Property, plant and equipment for operating leases amounting to Euro 103.8 million increased (Euro +88.2 million), due to new business trends, which in 2024 amounted to Euro 86.7 million, up by Euro +72.2 million, despite the streamlining phase still in progress. In this context, Santander Consumer Renting concentrated its commercial activities in order to maximize the profitability of its products with a particular focus on the placement of full servicing packages.

Financial payables, amounting to Euro 119.0 million, increased (Euro +106.2 million), in relation to the needs of the assets and consist of funding from the Parent Company Santander Consumer Bank.

Drive S.r.l.

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

Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	(2.3)	(1.4)	(0.9)	64.3%
Net commission	(0.2)	-	(0.2)	100.0%
Net other operating incomes / costs	0.7	2.0	(1.3)	-65.0%
Operating incomes	**(1.8)**	**0.6**	**(2.4)**	**-400.0%**
Payroll costs	(1.1)	(0.9)	(0.2)	22.2%
Administrative costs	(1.6)	(1.0)	(0.6)	60.0%
Amortizations	(0.3)	(0.2)	(0.1)	50.0%
Operating costs	**(3.0)**	**(2.1)**	**(0.9)**	**42.9%**
Operating result	**(4.8)**	**(1.5)**	**(3.3)**	**220.0%**
Profit or loss before tax	**(4.8)**	**(1.5)**	**(3.3)**	**220.0%**
Tax	1.1	0.4	0.7	175.0%
Profit or loss after tax	**(3.7)**	**(1.1)**	**(2.6)**	**236.4%**

Operating income decreased (Euro -2.4 million) due to non-recurring charges (re-gauging of amortisation/depreciation and losses on disposal) relating to tangible assets for operating leases (Euro -2 million).

Operating costs increased (+42.9%), considering the structural needs of the company.

Positive taxes of Euro 1.1 million increased (Euro +0.7 million), and are characterised by the recognition of deferred tax assets on losses and interest expense that are temporarily non-deductible, considering the assumption of future recoverability of the same.

The loss after tax amounted to Euro -3.7 million (Euro -1.1 million in 2023).

Main balance sheet aggregates

Property, plant and equipment for operating leases amounted to Euro 61.9 million, up +75.9%, due to the new business trends, which in 2024 grew, mainly due to the achievement of the objectives set on the Rent2Rent segment. Furthermore, the company concentrated its commercial activities in order to maximize the profitability of its products with a particular focus on the placement of full servicing packages.

Financial payables, amounting to Euro 70.5 million, increased (+60.4%), in relation to the needs of the assets and consist of funding from the Parent Company Santander Consumer Bank.

In addition, it should be noted that, in December 2024, the cumulative losses of Euro -4.8 million as at 31 October 2024, having exceeded one third of the share capital, were written down pursuant to the provisions of Article 2482-bis of the Italian Civil Code, bringing the share capital to Euro 3.2 million (Euro 8.0 million in 2023), by means of a board and extraordinary shareholders' meeting resolution. In particular, Drive's Board of Directors, taking into account the information available, believes that the conditions apply for the company to continue to constitute a functioning economic complex intended for the production of income for a foreseeable future period of time, relating to a period of at least twelve months from the reporting date.

C - Performance of interest-bearing assets and liabilities

C.1 - New business

New Business (EUR/Mln)	2024	2023	Var.	%
Vehicle	**4,955.9**	**3,342.0**	**1,613.9**	**48.3%**
- Vehicle loans	4,745.2	3,221.9	1,523.3	47.3%
-new vehicle	3,571.7	2,408.5	1,163.3	48.3%
-used vehicle	1,173.5	813.5	360.1	44.3%
- Financial leasing	71.5	69.5	2.0	2.9%
- Operating leasing	139.2	50.6	88.6	175.1%
Consumer loans	**1,522.2**	**1,809.0**	**286.8**	**-15.9%**
- Personal loan	891.0	1,006.4	115.3	-11.5%
- Special pourpose loan	580.5	696.6	116.1	-16.7%
- Salary assignement	47.4	102.2	54.7	-53.6%
- Credit card	3.2	3.9	0.7	-16.9%
Total	**6,478.2**	**5,151.0**	**1,327.2**	**25.8%**

The volumes of new instalment business recorded an increase (+25.8%).

The car sector was up (+48.3%) thanks to the absolute results achieved on new cars, mainly attributable to Stellantis Financial Services. Also, in relative terms, there was growth for the Operating Lease segment thanks to the contribution of Santander Renting and Drive.

The Consumer segment was down (-15.9%) due to lower volumes on personal loans deriving from the Santander Consumer Bank agreement with Poste Italiane, a decrease in special-purpose TIMFin loans on the Specialised-purpose Loan and lower volumes on the salary assignment product due to the closure of some forms of collaboration for the placement of the product.

C.2 - Funding

Total debt increased (+58.9%), based on the following trends.

- Bank funding, which accounts for 54.3% of total funding, stood at Euro 8,456.5 million, down (-9.3%), mainly due to the natural repayment of TLTRO III loans granted by the central bank for Euro 1,619.4 million, partially offset thanks to the support of the Spanish Parent Company.
- Customer funding, which accounted for 45.7% of total funding, stood at Euro 7,126.3 million, up 69.3%, thanks to the significant contribution of SRT (Significant Risk Transfer) securitisation transactions placed on the market and also the customer deposits via the increase in the customer base.

Overall, despite the fact that the ECB reference rates continued to decline during 2024 (for example, the ECB deposit facility rate which went from 4% at the end of 2023 to 3% at the end of 2024) and repricing campaigns were carried out on customer deposits, the cost of funding increased during 2024 compared to the previous year, mainly due to the gradual replacement of loan sources closed in periods characterised by very low interest rates (such as TLTRO III) with funding at marginally higher rates which were affected by the increase in interest rates between 2022 and 2023.

D- Other facts worth mentioning

Factoring of receivables without recourse

In December 2024, Santander Consumer Bank transferred an NPL (Non-Performing Loan) portfolio comprising write-off loans under management for Euro 66.3 million, generating a positive income effect of Euro 14.6 million.

In March and December 2024, Stellantis Financial Services Italia carried out two without recourse factoring transactions involving the transfer of performing loans deriving from Stock Finance transactions, selling Euro 249 million and Euro 538 million, respectively. Considering the recurrent nature of this transaction, the company resolved the adoption of a new business model for the portfolio in question, with the consequent representation as "financial assets measured at fair value through other comprehensive income" for the new business.

Hedging derivatives and unwinding

An unwinding transaction on hedging derivatives represents the legal closure of the contractual relationship underlying the instrument, with consequent settlement of the long positions and the related short positions. This transaction, concerning hedging derivatives, therefore also has direct consequences on the value adjustments of the financial assets subject to macro hedge. As at the date of the event, pursuant to IFRS 9, the hedged item ceases to be adjusted for changes in its fair value and the residual value continues to be accounted for in a manner similar to its previous treatment on the basis of the residual maturity of the underlying element. The main purpose of the transaction described, in the context of 2024 interest rates, is to freeze the positive effects deriving from the fair value of the derivative instruments, consequently reducing the related market risks. In January and February 2024, the Parent Company, Santander Consumer Bank, and Stellantis Financial Services Italia carried out these transactions. The related ineffective portions were assigned in the Income Statement to the item "Net hedging gains (losses)", while the effective portions remained in the Balance Sheet as "Value adjustment of financial assets subject to macro hedge" and were amortised in the Income Statement according to the respective most representative methods identified according to regulatory indications (effective interest rate rather than linear approach).

Securitisation transactions

In September 2024, Santander Consumer Bank finalised an SRT (Significant Risk Transfer) securitisation without accounting derecognition with underlying car loans and personal loans, contributing Euro 999,898 million. The transaction entailed the issue of notes for Euro 1,010 billion, envisaging the possibility of a further revolving acquisition of performing loans in the following 3 months. All the notes were transferred to third parties except for the residual excess spread note, which was subscribed by the Bank.

In June 2024, Stellantis Financial Services Italia finalised an SRT securitisation without accounting derecognition with underlying car loans, contributing Euro 1,200 million. The transaction entailed the issue of notes for Euro 1,213 million, envisaging the possibility of further revolving acquisitions of performing loans in the following six months. All the notes were transferred to third parties except for the residual excess spread note, which was subscribed by Stellantis Financial Services Italia itself.

In November 2024, Stellantis Financial Services Italia finalised an SRT securitisation without accounting derecognition with underlying car loans, contributing Euro 800 million. The transaction entailed the issue of notes for Euro 800 million, envisaging the possibility of further revolving acquisitions of performing loans in the following six months. All the notes were transferred to third parties except for the residual excess spread note, which was subscribed by Stellantis Financial Services Italia itself.

For further details in relation to the above, please refer to the notes to the consolidated financial statements, Part E - C. Securitisation transactions.

Lexitor ruling

Following the well-known Sentence C-383/18: Sentence of the European Court of Justice (First Section) of 11 September 2019 "Lexitor", the Bank of Italy, on 4 December 2019, had disseminated to the market "guidelines" aimed at promoting alignment with the framework outlined following the aforementioned ruling and at preserving the quality of customer relations, establishing that, in the event of early repayment of the credit, the consumer's right to reduce the total cost of credit should be considered inclusive of all costs charged to the consumer, excluding taxes, therefore not only the costs related to the duration of the credit relationship, but also the so-called "up front" costs, which do not depend on the duration of the loan.

As from the date of the issue by the Bank of Italy of its guidelines in question (4 December 2019), the Parent Company adjusted, for cases settled after that date, the settlement calculations with respect to the notion of the cost of credit set out by these standards, taking steps, in the event of early termination, to make the related reimbursements. In addition, a provision for risks and charges for Euro 26.9 million was set aside in the financial statements as at 31 December 2019 to cover these liabilities (detailed below). In conclusion, in this context, starting from the beginning of 2020, in order to comply with the aforementioned guidelines of the Bank of Italy, the Parent Company supplemented its contractual standards.

Subsequently, Italian Law no. 106 of 23 July 2021 - conversion, with amendments, of Italian Decree Law no. 73 of 25 May 2021 (so-called Sostegni bis - Support bis - Decree) - introduced from 25 July 2021, with article 11-octies, a new formulation of article 125-sexies of the Consolidated Law on Banking, amending the regulations for early repayment of consumer credit agreements. In particular, the second paragraph of the aforementioned article envisages that the provisions of article 125 sexies of the Consolidated Law on Banking and secondary regulations continue to apply to the early terminations of contracts signed before the date of entry into force of the conversion law of the aforementioned decree, contained in the transparency and supervisory provisions of the Bank of Italy in force at the date of the signing of the contracts, while for contracts signed after 25 July 2021 the restitution, in proportion to the residual life of the contract, of interest and all the costs included in the total cost of the credit, excluding taxes, according to the criteria set out in these contracts.

The Bank has therefore aligned itself with the provisions of the Decree described by applying, as from July 2021, at the time of early termination, (i) the provisions of the loan agreement and (ii) the provisions of article 125-sexies of the Consolidated Law on Banking pursuant to Italian Legislative Decree no. 385 of 1993 in force on the date of signing of the loan agreement.

Following this intervention by the legislator, the ABF Coordination Board with decision no. 21676/2021 of 15 October 2021 took note of the differentiated regulatory regime introduced by the legislator for contracts entered into up to 25 July 2021 and for those entered into thereafter, recalling the not dissimilar position expressed by other countries of the European Union also to protect the lender's legitimate expectations, and therefore concluded that the "up front" costs for all contracts signed before 25 July 2021 are not to be reimbursed.

By order of 2 November 2021, the Court of Turin declared relevant and not manifestly unfounded the question of the constitutional legitimacy of article 11-octies, due to contrast with articles 3, 11 and 117, first paragraph, of the Constitution, with consequent transmission of the documents of the trial to the Constitutional Court, based on the twofold finding that it was impossible to interpret the provisions of the law in conformity with the "Lexitor" judgement and, at the same time, the absence of the conditions for the direct application of the EU rule by disapplying the rule of domestic law which is incompatible with the first.

By means of Ruling no. 263 of 22 December 2022, the Constitutional Court ruled on the reduction of the total cost of credit to consumers in the event of early repayment of the loan and declared the new article of the Sostegni-bis Decree unconstitutional, limited to the following sentence "and the secondary rules contained in the transparency and supervisory provisions of the Bank of Italy". The Court held, in particular, that the reference made by the legislator, in the inter-temporal regulation, to the secondary regulations of the Bank of Italy, was in conflict with the principle of the primacy of European Union law, since in fact it prevented the application of article 16, paragraph 1 of the Consumer Credit Directive, as interpreted by the Court of Justice.

Although the Constitutional Court has delivered its judgements on the interpretative issue with reference to the application of Article 125 sexies of the Consolidated Law on Banking in the version prior to the reform, several doubts remain regarding the effective scope of application of the principles established by the same.

At a higher level, by means of ruling dated 9 February 2023, the Court of Justice of the European Union in case C-555/21 - questioned by the Austrian Supreme Court about whether Directive no. 2014/17 (relating to credit agreements with consumers relating to residential properties) precludes a national regulation that envisages that the right of the consumer to reduce the total cost of the credit, in the event of early repayment of the same, includes only interest and costs that depend on the duration of the credit - expressed itself by asserting that the right to the reduction in question seeks to adjust the loan agreement according to the circumstances of the early repayment.

With respect to that which the Court had indicated with the "Lexitor" ruling of 11 September 2019 on consumer credit, the Court of Justice of the European Union affirmed, in the case of real estate loans, but always on the issue of early repayment, that the consumer's right to repayment therefore does not include costs that, regardless of the duration of the contract, are borne by the consumer in favour of both the creditor and third parties for services that have already been performed in full at the time of the early repayment.

Despite this ruling by the Court of Justice of the European Union in case C-555/21, Italian case law is still controversial.

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

In consideration of the fact that the assessments of the ABF and the decisions of the national Courts, adopted from time to time, in relation to the aforementioned regulatory intervention, still remain unambiguous in their conclusions, the Parent Company has therefore deemed it appropriate and reasonable to maintain the approach followed so far for cases originated before 31 December 2019 and settled before October 2023. In the second part of the year, however, the Bank deemed it appropriate to evaluate the adoption of a reactive approach on the compensation requested, with a view to deflation, without prejudice to its merit reasons, for all claims and appeals on cases originated before 31 December 2019 and settled after October 2023 (i.e. after the so-called Omnibus Decree referred to above).

In 2019, a risk provision of Euro 26.9 million was established to statistically cover any up-front charges deriving from the settlement of contracts in place as at 31 December 2019. This provision was used up until July 2021 (so-called Sostegni-bis Decree previously mentioned) and maintained unchanged from that date until 2023. In 2024, the provision amounted to Euro 7.0 million as steps were taken to separate from the latter Euro 1.2 million, dedicating this amount to the creation of a new provision aimed at covering all claims and appeals on settlements subsequent to October. 2023.

In 2015 and 2016, a risk provision was set up to cover the risk inherent in determining the extinguishing calculation components in force at the time. This provision was used in its entirety, recording a use in 2024 of Euro 1.5 million.

All costs of any amicable settlement of disputes, incurred in 2024, which resulted in cash outflows, were charged directly to the Income Statement, except for the uses highlighted above. For further details, please refer to the Notes to the separate and consolidated financial statements - Income Statement - Other operating income and costs.

As at 31 December 2024, the aforementioned provisions are deemed representative of the potential foreseeable risk of repayment in consideration of the statistical trend of the complaints/disputes already received on this basis and the related payments, the uncertainty of the conduct of consumers and the non-univocal interpretation of the courts following the interventions by the legislator who also determines, consequently, different positions and approaches or stances by the individual judges at the time of decision, as it has been possible to see in recent months.

Tax aspects

Disputes with regard to the Parent Company Santander Consumer Bank

Dispute on direct taxes

In the first few months of 2024, the Italian Internal Revenue Agency issued the final assessment document, relating to the findings concerning direct taxes on the 2017 tax year, raised during the 2023 inspection. Santander Consumer Bank, not agreeing with the findings, initiated a dispute on the matter.

In addition, in 2024, the Italian Internal Revenue Agency requested similar information for the years 2018, 2019 and 2020 for part of the findings disputed during the inspection. For the 2018 tax year, the Italian Internal Revenue Agency issued a notice of assessment. Santander Consumer Bank intends to follow a similar process to that described above, seeking to unify the proceedings.

On the basis of opinions received from tax advisors, Santander Consumer Bank does not perceive any risk of losing the case.

Dispute on advances relating to withholdings on deposit accounts

In 2023, by means of an automatic control, the Italian Revenue Agency sent several Italian banks a request for payment relating to the percentage of advance withholding tax paid on deposit accounts. Santander Consumer Bank, not agreeing with the findings, initiated a dispute on the matter.

On the basis of opinions received from the tax advisor, Santander Consumer Bank does not perceive any risk of losing the case.

Settlement on the notice of adjustment of the Italian Internal Revenue Agency on the sale of the business unit Hyundai Capital Bank Europe GmbH - Italian branch

In 2023, the Parent Company Santander Consumer Bank and Hyundai Capital Bank Europe - Italian Branch received a notice of adjustment relating to the calculation of the stamp duty paid on the sale of the business unit carried out in 2021.

The counterparties initiated dialogue with the Italian Revenue Agency for the matters in question, finding a point of convergence during 2024.

In this context, Santander Consumer Bank did not incur any economic effects, consequently releasing the provisions previously set aside.

Disputes regarding Stellantis Renting Italia S.p.A.

Dispute on provincial registration tax

At the beginning of February 2023, Stellantis Renting Italia received a notice of assessment from the Metropolitan City of Milan for the 2018 tax period on provincial registration tax, that the Company will appeal care of the Tax Tribunal. On the same issue, the Tax Police also concluded at the beginning of February 2023 a formal report on findings also for the following years, referring everything to the Province of Milan. In September 2023, Stellantis Renting Italia was called to a hearing by the competent authorities. In January 2024, the Judges of the Tax Court upheld Stellantis Renting Italia's appeal and cancelled the challenged notice, fully offsetting the costs of the proceedings between the parties.

The Metropolitan City of Milan has initiated an appeal on the judgement in the first instance. To date, the related proceedings have not yet started.

The company decided to maintain the related risk provision, recognised in previous years, equal to Euro 1.9 million, as the proceedings have not yet been completed.

Patent box

The patent box is an optional subsidy regime envisaged by Article 6 of Italian Decree Law no. 146 of 21 October 2021 which allows the holder of the right to the economic exploitation of industrial patents, designs and models and software protected by copyright, to benefit from a tax deduction, for IRES and IRAP purposes, increased by 110% in relation to expenses incurred for the research and development of intangible assets used, directly or indirectly, in business activities.

In this context, the Parent Company, Santander Consumer Bank, with the support of specialised external consultants, identified the possibility of obtaining these benefits in relation to four software programmes owned by the bank (registered under SIAE in December 2024), estimating a benefit impact in the year of Euro 7.9 million, calculated also considering the costs incurred in the previous eight years, as allowed by the "recapture mechanism" envisaged by the law.

The result shown was determined by means of specific legal, technical and tax analyses to verify the ownership of the related innovation rights introduced by the developments, and represents the best estimate at the date of preparation of the financial statements. The option for the "super deduction" will be exercised in 2025 when submitting the income tax return for the year 2024, and will be supported by the documentation suitable to benefit from the penalty protection.

Pillar 2 - Global Minimum Tax

The Group has decided to make use of the transitional regime called Transitional Safe Harbours, for the period 2024-2026, through the use of the Simplified ETR Test, which reports, for each year and for each jurisdiction in which the multinational Group is present. The data of the qualified CBC Report is represented by the *Simplified Covered Taxes (current taxes) and the Profit before tax.*

This test is aimed at measuring, on the perimeter of each individual country, the Effective Tax Rate so that it is respectively higher than:

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

Considering the current and prospective level of the nominal Tax Rate as well as the actual one measured internally, in relation to the Group's entities located in Italy, no quantitative impacts in terms of minimum tax due can be inferred.

2025 Budget Law

The 2025 budget law introduced several aspects. The most significant ones in the banking sector directly concerned the Parent Company Santander Consumer Bank.

In fact, this regulation defined, for the purposes of direct taxes, the shift of the 2025 deductions (in the three subsequent years) and 2026 deductions (in the three subsequent years) relating to the DTAs provided on the monetisable write-downs (Law no. 214/2011), on the adjustments of IFRS 9 FTA and on goodwill.

In addition, in order not to significantly alter the cash forecasts made by the State, limitations were introduced, also at global national consolidated level, on the usability of tax losses and previous ACE within the limit of 54% of the income restated with these legislative provisions.

The combined provisions of these measures will lead, for Santander Consumer Bank, to a consequent postponement of the reabsorption of the aforementioned DTAs and to an increase in the taxes paid (both for balances and advances) in relation to the years mentioned.

Basel IV

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

With regard to the impacts achieved in 2024, note the review of the consolidated prudent supervisory scope. This change designated the inclusion within the prudent consolidated scope of the companies dedicated to the disbursement of operating leases (Santander Consumer Renting and Drive), with an increase in RWAs of Euro 152.8 million.

Looking ahead, the expected impacts for 2025 mainly concern the methodological review of credit risk and operational risk. While the impact on credit risk is mainly limited to the updating: of the definition of SME (based only on the quantification of turnover and total exposure), the changes concerning the most relevant component, i.e. operational risk, is related to the determination of the new indicator based on the size of the credit institution's business (business indicator component or BIC), obtained from the sum of the components (BI) of interest and dividends (ILDC), services (SC) and financial ones (FC) averaged over the three years and corrected for an incremental Beta coefficient dependent on the size of the BI of the company itself), with an overall impact that is still being streamlined.

For further information, please refer to the matters stated in the Notes to the consolidated financial statements - Part F.

E - Result for the year

The Group has the reasonable expectation that it will continue to operate in the foreseeable future and has, therefore, prepared its consolidated financial statements on a going concern basis, in accordance with the instructions provided in Document no. 4 of 3 March 2010 issued jointly by the Bank of Italy, Consob and Isvap, regarding "Information to be provided in financial reports on impairment tests, on debt covenants, on debt restructuring and on the fair value hierarchy", which makes reference to the corresponding document no. 2, again issued jointly by these three Authorities on 6 February 2009.

E.1 - Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	365.7	334.6	31.1	9.3%
Net commission	123.1	90.1	33.0	36.6%
Net result of financial assets and liabilities at fair value	(3.2)	10.3	(13.5)	-131.1%
Net other operating incomes / costs	5.0	11.5	(6.5)	-56.5%
Operating incomes	**490.6**	**446.5**	**44.1**	**9.9%**
Payroll costs	(90.7)	(90.9)	0.2	-0.2%
Administrative costs	(93.3)	(84.0)	(9.3)	11.1%
Amortizations	(31.9)	(31.5)	(0.4)	1.3%
Operating costs	**(215.9)**	**(206.4)**	**(9.5)**	**4.6%**
Operating result	**274.7**	**240.1**	**34.6**	**14.4%**
Net adjustments on financial activities	(127.3)	(58.6)	(68.7)	117.2%
Other net accrual	(0.9)	(20.6)	19.7	-95.6%
Contribution to banking system	(2.0)	(4.9)	2.9	-59.2%
Other net operating income/expenses	(0.8)	(0.3)	(0.5)	166.7%
Profit or loss before tax	**143.7**	**155.7**	**(12.0)**	**-7.7%**
Tax	(41.3)	(49.1)	7.8	-15.9%
Profit or loss after tax	**102.4**	**106.6**	**(4.2)**	**-3.9%**
of which group	***63.4***	***73.2***	***(9.8)***	***-13.4%***
of which of minority	***39.0***	***33.4***	***5.6***	***16.8%***

Operating income increased (+9.9%) due to the following trends.

- Net interest income increased (+9.3%), due to the increase in interest-bearing assets, despite the reduction in the spread between interest income and expense, as detailed below:

Net interest (EUR/Mln)		2024	2023	Var.	%
Interest income		**961.8**	**710.9**	**250.9**	**35.3%**
Interest income on medium bearing assets (%)	a)	6.0%	5.5%		
Interest expenses		**(596.1)**	**(376.2)**	**(219.9)**	**58.5%**
Interest expenses on medium bearing liabilies (%)	b)	-4.1%	-3.3%		
Total net interest		**365.7**	**334.7**	**31.0**	**9.3%**
Net interest spread (%)	a)- b)	1.9%	2.3%		

  Interest expense, originating mainly from floating-rate Financial payables, recorded an increase deriving from the rapid adjustment to the rates established by the Central Bank.

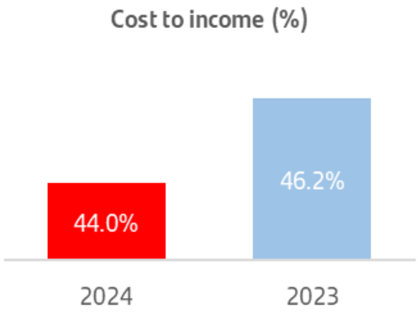
  Interest income, originating mainly from fixed-rate Loans to customers, recorded a progressive increase in the last two years, mainly driven by the repricing strategy applied to the new business. However, considering the nature of fixed-rate interest-bearing assets, the balances existing before 2023 penalised the overall effective return, despite the partial mitigation instruments in place (effect of hedging derivatives).

- Net fee and commission income increased (+36.6%), thanks to greater penetration linked to insurance products on the car product.

Operating costs increased (+4.6%) due to the following trends.

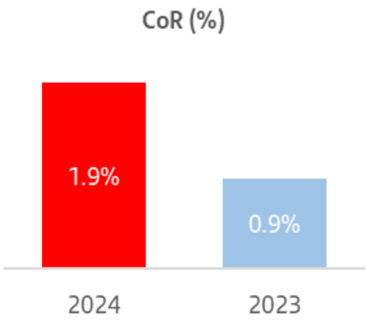
- Payroll costs were down slightly (-0.2%), due to the combined effect of the company reorganisation measures undertaken in 2023, which had led to one-off costs for Euro 21.1 million (shown under the item "Other net provisions"), and a lower allocation of company bonuses due to failure to achieve results.
- Administrative costs increased (+11.1%), mainly due to non-recurrent IT costs. For greater information, please refer to the relevant section in the Notes to the consolidated financial statements - Part E concerning operational risks.
- Amortisation/depreciation were up slightly (+1.3%); the change is mainly due to intangible assets related to rights deriving from Stellantis Financial Services (initially recognised in April 2023)

The development of the cost to income indicator (determined as operating costs to operating income) is shown below.



Net adjustments on loans increased (+117.2%) due to various events mainly attributable to the increase in the portfolio (mainly deriving from the car segment managed by Stellantis Financial Services), the change in the breakdown of the portfolio (increase of the personal loan portfolio managed by Santander Consumer Bank), the increase of the portfolio in stage 2 also connected to the review of the Significant Increase in Credit Risk parameters (mainly attributable to Santander Consumer Bank) and the update of the IFRS9 model parameters, which have a negative effect in 2024, in contrast to the positive effects recorded in 2023. For greater details, please refer to the Notes to the consolidated financial statements - Part E. This result was partially mitigated by a positive effect of Euro 14.6 million (Euro 6.3 million in 2023) deriving from the without recourse factoring of an NPL (Non-Performing Loans) portfolio in write-off under management.

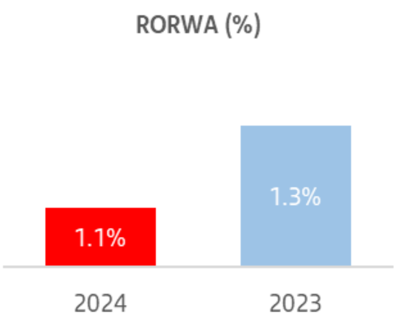
The development of the Cost of Risk indicator (determined as net adjustments on loans to customers on gross loans to customers) is shown below:

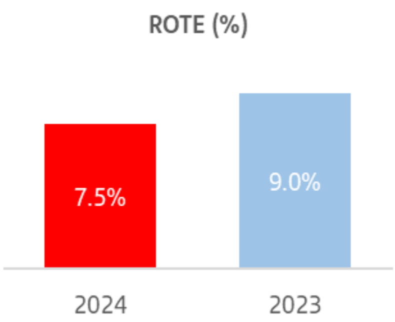


Taxes decreased due to the combined effect of the reduction in the profit before tax and the positive effect deriving from the Patent Box concession amounting to Euro 7.9 million recognised by the Parent Company Santander Consumer Bank (for more information, please refer to the Consolidated Report on Operations - Other facts worthy mentioning - Tax aspects), despite the negative effect deriving from the abolition of ACE (Aid to Economic Growth, applicable to the capital base of the company).

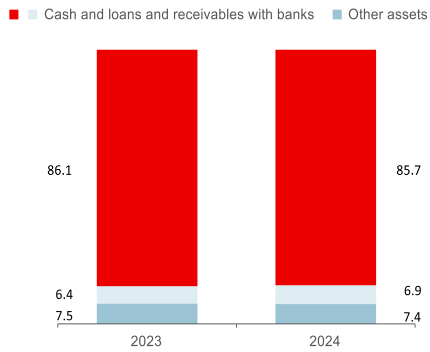
The profit after tax amounted to Euro 102.4 million (Euro 106.6 million in 2023), of which 63.4 million pertaining to the Group (Euro 73.2 million in 2023).

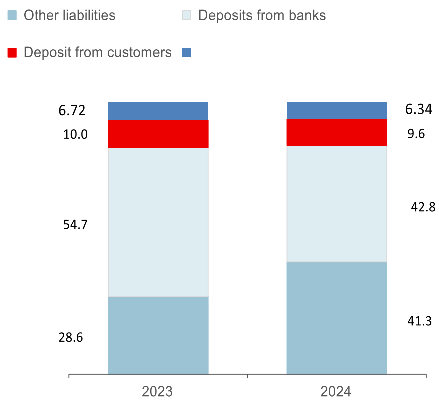
The development of the RoRWA indicator (determined as profit after tax on average annual risk-weighted assets) and the RoTe (determined as profit after tax on equity net of intangible assets and average annual profit for the period) is shown below.





E.2 - Main balance sheet aggregates





in percentage value

Assets consist mainly of loans to customers, which are breakdown as follows:

€/milion	Total		Change	
	2024	2023	Absolute	(%)
Car loan	7,729	6,278	1,451	23.1
Special-purpose loan	837	840	(3)	(0.4)
Personnel loan	2,045	1,709	336	19.7
Cards	3	3	0	(11.3)
Leasing	1,153	1,044	108	10.4
Salary assignment	723	896	(173)	(19.3)
Stock financing	2,755	2,671	84	3.1
Factoring	82	140	(59)	(41.7)
Other loans to customers	16	1	15	1,594.9
Other components of amortised cost	327	254	74	29.2
Gross loans to customers	**15,669**	**13,836**	**1,833**	**13.2**
Provision for loan losses	(283)	(230)	(53)	23.0
Net loans to customers	**15,386**	**13,607**	**1,780**	**13.1**

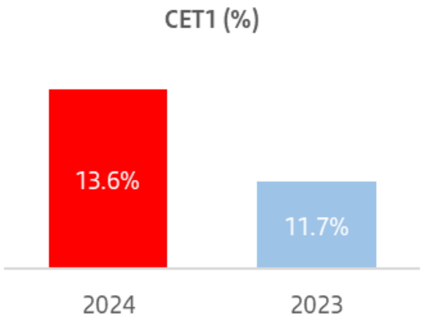
The aggregate, which grew overall (+13.1%), was affected by:

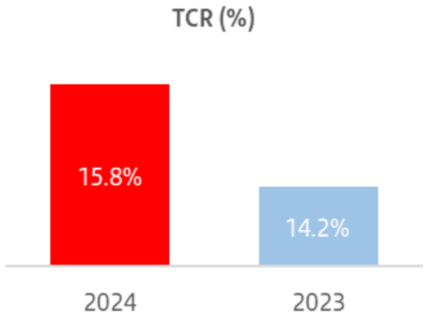
- the natural repayment of loans;
- the disbursements of new instalment business generated during the year (for greater information, please refer to the separate Report on operations - Performance of interest-bearing assets and liabilities - New Business).

Cash and cash equivalents and debt securities (made up entirely of Italian government securities) increased (+11.8%) as a result of ordinary liquidity management policies instrumental to regulatory indicators.

Liabilities mainly consist of financial payables to banks and customers, up +14.9% in relation to the needs of the assets (for greater information, please refer to the Separate report on operations - Performance of interest-bearing assets and liabilities - Funding).

The increase in shareholders' equity (+6.7%), due to the allocation to reserves from the previous result, is more than adequate with respect to regulatory requirements, as highlighted by the CET1 (Common Equity Tier 1 ratio determined as risk-weighted assets on the highest capital level) and the TCR (Total Capital Ratio determined as risk-weighted assets on own funds):





E.3 - Statement of reconciliation of Consolidated and Individual Shareholders' Equity and Net Profit

	Shareholders' equity	of which: Result at 31/12/2024
Balances of the Parent Company at 31/12/2024	**996,818**	**28,866**
Effect of consolidation of subsidiaries	141,171	34,480
Minority interests	481,498	
Consolidated balances at 31/12/2024	**1,619,487**	**63,346**

F - Subsequent significant events

Pursuant to IAS 10, these financial statements were authorised for publication by the Board of Directors on 19 February 2025.

Since the end of the year and up to the date of approval of the draft financial statements by the Board of Directors, there have been no significant events or transactions that could have a significant impact on the results explained in this report. The draft financial statements therefore reflect in detail all events that affected the Group's operations in 2024.

G - Strategic management and outlook

The founding principles of the Group strategy are:

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

In this context, the vision is to offer competitive solutions to its customers so as to expand its positioning in terms of profitability and scale in the car loans and lease and consumer loans sector, through the following priorities:

- maintain and increase penetration in the relevant sector, also by means of new digital solutions;
- continue the transformation of internal operating models by means of IT automation and redesign of processes;
- reduce the sensitivity to interest rate fluctuations, while increasing the acquisition of sources of financing outside the Group such as deposits;
- promote capital maximisation models, such as SRT (Significant Risk Transfer) securitisation transactions;
- continue to support the ecological transformation of the car sector and develop new initiatives in other sectors such as electric chargers, solar panels, ecological heating systems and e-bikes.

H - ESG

ESG (Environmental, Social and Governance) criteria increasingly characterise and impact the strategies and communication of companies and organisations in various sectors. Specifically, they comprise a series of criteria that take on the form of a set of standards that must inspire the operations of a company to ensure the achievement of certain environmental, social and governance results.

The reference points for the ESG logic can be identified in the 2030 Agenda for Sustainable Development, a programme endorsed in 2015 by the UN General Assembly. The Agenda concerns commitments for people, for prosperity and for the protection of the planet and is reflected in the 17 Sustainable Development Goals (SDGs).

The Group is aware of the value of its business over time and the impact it can generate on the entire community. The Group undertakes certain ethical, social and environmental commitments to comply with the SDGs (Sustainable Development Goals). It also defines a reliable financial system that seeks consumer confidence, respect for human rights, the fight against climate change, transparency and prevention of money laundering. It is also oriented towards the creation of long-term value and the management of social and environmental risks, defining roles and responsibilities in the development of processes and in its strategy.

H.1 - Environment

- **Net Zero Banking Alliance**: the Net Zero Banking Alliance (NZBA) is the initiative furthered by the United Nations in which Banco Santander is one of its founding members. The initiative envisages that participating banks commit to aligning their loan and investment portfolios with the achievement of the net zero emissions target by 2050, in line with the targets set by the Paris Climate Agreement.

  Understanding its important role in the transition to a green economy, the Parent Company Santander Consumer Bank analysed different decarbonisation scenarios of its car portfolio, defining an intermediate target of 93 gCO_2e/km (-39% compared to the current intensity of emissions) by 2030.

- Affordable and Clean Energy: to guarantee universal access to energy services at affordable, reliable and modern prices; considerably increase the share of renewable energies; improving international cooperation to facilitate access to energy research and technology, promoting investments in energy infrastructures and clean energy technologies.

  For example, the Parent Company Santander Consumer Bank uses 100% of energy from renewable sources (hydroelectric plants) for the Santander Building. In addition, following the renovation work in 2021, Palazzo Santander obtained the prestigious GBC Italia Historic Building certification, which combines the sustainability criteria of the LEED protocol with the historical heritage of the building. Thanks to the internal insulation system, not applicable to the external façade due to the historical-artistic constraint, the air conditioning via a groundwater heat pump, full LED lighting, and the intelligent management with BMS, Palazzo Santander saves 24% of energy with respect to the reference building.

- Responsible Consumption and Production: to guarantee sustainable consumption and production models, substantially reduce waste production through prevention, reduction, recycling and re-use; encourage businesses to adopt sustainable policies.

  For example, the Parent Company Santander Consumer Bank has reduced the use of plastic by making water dispensers available and distributing water bottles to employees. Lastly, in addition to the use of recycled paper, separate waste collection is observed in the Building, encouraging the re-use of waste.

- Climate Action: to adopt measures to combat climate change and its consequences, including them in company policies, strategies and plans.

  In addition to the Net Zero objectives, the Group is committed to various initiatives such as: supporting our customers in the transition towards a low carbon emission economy, through the expansion of its catalogue of sustainable products and attention to Green Finance, in line with the European taxonomy of environmentally sustainable activities, encouraging employees to use green mobility solutions through concessions for annual public transport passes, replacement of company fleets with hybrid vehicles and divulgation of practical advice in the company to reduce the impact on the environment.

H.2 - Social

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

- Help for Optimism (H4O): the non-profit organisation works in the north-west of Madagascar with the aim of improving public health and hygiene conditions, guaranteeing access to clean water and sanitation, promoting the creation of social enterprises run by women. H40 carries out local awareness-raising and education activities for global citizenship within schools.

  In 2024, the Parent Company contributed to the development of a Hygiene Promotion project in Madagascar, with the aim of raising the awareness of primary and secondary school students on the prevention of water-related diseases and personal hygiene. The local staff held workshops in which the students learned and practiced hand washing, the use of the toilet and other good hygiene practices.

- Ortygia Foundation: the Foundation is a platform that aims to promote innovation and development in Southern Italy and the Mediterranean area by supporting businesses and enhancing human capital. We work together with the foundation in the development of training activities and mentorship programmes aimed at equal gender opportunities, social inclusion, the enhancement of diversity, and the reduction of territorial divides.

  In 2024, the Parent Company participated in the fifth edition of the Young Women Empowerment Program (YEP), the Ortygia Foundation's programme for the empowerment of young female students in Southern Italy. Thanks to YEP, deserving young women enrolled in a Master's Degree course of economic and STEM faculties of the main universities of Southern Italy are accompanied by as many professionals in a one-to-one mentoring relationship. The Group also confirmed its participation for the sixth edition, which will end in 2025.

- Piedmont Foundation for Cancer Research (FPRC): we support the foundation through donations and contributions for social purposes with the aim of promoting experimental oncology research and clinical oncology research, developing new diagnostic and therapeutic tools for eradicating the disease, offering activities for health care in the oncology field in the various forms of prevention, diagnosis, treatment and rehabilitation.

  In 2024, the Parent Company confirmed its support for the Foundation as a charity partner in the non-professional sports competition Torino City Run.

- Foundation for Financial Education and Savings (FEduF): the Foundation, established upon the initiative of the Italian Banking Association (ABI), pursues purposes of social utility by promoting Financial Education, in the broader concept of Education to Conscious and active Economic Citizenship, to develop and divulge financial and economic knowledge. We have been working together with the foundation for years in the development of financial education courses for high school children

  Each year we organise the financial education course "Che impresa, ragazzi!", for the purpose of providing high school students with tools and skills to bring out and develop an innovative and sustainable business idea. The Group has taken it upon itself to organise meetings to bring young people closer to the financial sector by designing courses for high school children and the children of employees so as to approach the university sphere. In particular, in October of each year, initiatives are organised for young people during the month of financial education. Santander Open Week is also aimed at young people, an orientation week in which Palazzo Santander opens its doors to university students and the children of employees in the 3rd and 4th year of high school and the first 2 years of university.

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

  By way of example, the Parent Company has worked with and collaborates with various associations such as Casa Santa Luisa supporting homeless people; Centro di aiuto alla vita providing support for families with young children in difficulty; UGI - Unione Genitori Italiani providing help for children with tumours; Comunità di Sant'Egidio supporting people in difficulty through donations, gift collection and voluntary work; Sermig participating in the food and basic goods collection.

- Great Place to Work Italia: the Parent Company was certified as a 2024-2025 Great Place to Work, confirming its focus on the well-being and professional growth of its employees.

  Specifically, we further action to ensure company welfare by providing the opportunity to take advantage of free health policies for employees and their dependant family members and guaranteeing free health check-ups for employees. In addition, particular attention is paid to the work-life balance in-house, guaranteeing ample time flexibility and promoting smart-working according to personal and organisational needs, in order to guarantee the correct balance between work and private life. In addition, the Parent Company organises a Be Healthy program every year, to raise the awareness of colleagues on the attention to be paid to staying healthy, with a focus on four cornerstones: balance, exercise, nutrition and prevention. In addition, it offers an anonymous and free psychological listening tool to deal with moments of personal or professional difficulty with the help of a professional.

  The Parent Company furthers training and sees to the professional growth of its employees by means of specific training tools, including a digital platform with numerous courses to cultivate and develop hard and soft skills and a digital language training project with one-to-one lessons or on-demand paths.

H.3 - Governance

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

  The Parent Company constantly analyses and monitors the Equal Pay Gap and Gender Pay Gap in-house, defining policies and guidelines on equality. It also organises awareness-raising initiatives, including digital talks on inclusion, a cultural innovation path to enhance and include diversity, learning about and overcoming cognitive biases and stereotypes.

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

  The Group is committed to guaranteeing a wide range of physical goods, personal services, education and supplementary pensions. It offers deposit account products and personal loans for employees under dedicated conditions. The Group promotes an ethical and transparent corporate culture by encouraging the use of whistleblowing channels for reporting offences. The Parent Company furthers the professional development of employees through dedicated initiatives: it plans with them individual professional and training development plans based on an assessment of skills and supports those who are going through a career transition by means of Peer - Peer Master coaching.

- **Justice, Peace and Strong Institutions:** to promote peaceful and inclusive societies for sustainable development by providing access to justice for all and building effective, responsible and inclusive institutions at all levels.

  The Group ensures constant updating of the management, organisation and control model and the code of ethics. In addition, it defines and publishes internal policies and guidelines to combat corruption and money laundering and antitrust internal policies and guidelines.

H.4 - Non-financial disclosure and sustainability reporting

Pursuant to article 6.2 of Italian Legislative Decree no. 254 of 30 December 2016, which assimilates European Directive no. 2014/95/EU, concerning the reporting of non-financial information, and as envisaged by article 7.1 of Italian Legislative Decree no. 125 of 6 September 2024, which assimilates European Directive no. 2022/2464/EU, relating to corporate sustainability reporting, the Santander Consumer Bank Group (of which Santander Consumer Bank is the Parent Company), while being within the scope of application of the Decrees, as a public-interest entity in possession of the size and capital requirements, benefits from the exemption envisaged by the legislation, since it is drawn up by the group parent Banco Santander, which draws up this document on a voluntary basis in compliance with the matters envisaged by the European directive.

I - Other information

Research and development

During 2024, no activities were performed that qualified as research and development at the time of drafting these consolidated financial statements.

Risks and related hedging policies

With regard to the main risks and uncertainties to which the Group is exposed, in accordance with the provisions of article 2428 of the Italian Civil Code, it should be noted that the operating results, balance sheet and cash flows could be influenced by the general macro-economic framework and by financial market trends and the performance of the reference sector, as described previously.

With regard to the information required by the Italian Civil Code on the Group's objectives and policies on financial risk management, as per paragraph 6-bis of article 2428 of the Italian Civil Code, as well as in relation to the use of financial instruments, for a detailed analysis reference should be made to Part E of the Notes to the financial statements.

Treasury shares

The Group does not possess any treasury shares (or those of its parent companies), either through a trust company or a third party.

Related parties

With regard to the disclosure on related parties, please refer to Part H of the Notes to the financial statements.

Independent Auditors' Report on the Consolidated Financial Statements at 31 December 2024

Independent Auditors' Report on the Consolidated Financial Statements at 31 December 2024

pwc

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

Santander Consumer Bank Group

Consolidated Financial Statements as of 31 December 2024

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Sole Shareholder of
Santander Consumer Bank SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Santander Consumer Bank Group (hereinafter, also, the "Group"), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated income statement, statement of consolidated comprehensive income, statement of changes in consolidated shareholders' equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 43 of Legislative Decree No. 136/2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Santander Consumer Bank SpA (hereinafter, also, the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Evaluations of loans and advances to customers for loans measured at amortised cost *Notes to the consolidated financial statements:* *Part A – Accounting policies* *Part B – Information on the consolidated balance sheet, Assets - Section 4* *Part C – Information on the consolidated income statement, Section 8* *Part E – Information on risks and related hedging policies* Loans and advances to customers for loans, which at 31 December 2024 represented a considerable share of item 40 b) *"Financial assets measured at amortised cost – Loans and advances to customers"*, showed a balance of Euro 13,348 million, accounting for about 74 per cent of total assets in the consolidated financial statements. The net adjustments recognised during the year amounted to Euro 126 million and represented the best estimate made by the directors in order to adjust the expected credit losses at the balance sheet date on the basis of the applicable accounting standards. The process of classification into the different risk categories and the evaluation methods are characterised by a high level of complexity and require the estimation of numerous variables. The use of significant assumptions is especially relevant to the verification of the Significant Increase in Credit Risk (SICR), to the allocation to the different risk stages (Staging), to the elaboration and determination of the risk parameters underlying the Expected Credit Loss (ECL) and, in relation to the loans subject to an individual evaluation, to the estimation of the expected future cash flows, related to the timing of recovery and value of realisation of the guarantees, if any.	As part of our audit, we took into consideration the internal control system relevant to the preparation of the consolidated financial statements in order to design appropriate audit procedures in the circumstances. In order to address this key audit matter, we carried out the following main activities, also with the support of PwC network experts: • Analysing the adequacy of the IT environment and reviewing the operational effectiveness of the relevant controls overseeing the IT systems and applications used; • Understanding and evaluating the design of the relevant controls within the monitoring, classification and valuation of loans and verifying the operational effectiveness of such controls; • Understanding and verifying the appropriateness of the policies, procedures and models used to measure the SICR, for the Staging and to determine the ECL, both on a collective and individual basis; • Understanding and analysing the methods to determine the main risk parameters used to determine the ECL; in particular, attention was paid on checking the reasonableness of the recalibration process of the PD (Probability of Default) and LGD (Loss Given Default) risk parameters, as well as the estimates made in defining the expected macroeconomic scenarios, also through comparison with external sources; • Verifying the reasonableness of the assumptions and evaluations underlying the methods to manage post-model adjustments/management overlays as well as the new calibrations on the SICR rules; • Verifying the completeness and accuracy of the data bases used for ECL calculation purposes; • Verifying, on a sample basis, with reference

In the reporting period, in addition to proceeding with the ordinary recalibration process of the risk parameters, which envisaged the update of the time series and macroeconomic scenarios, the Group introduced new calibrations on the SICR rules and, in line with the prior years, made use of the post-model adjustments/management overlays. We focused our attention on the evaluation of these loans as part of our audit work, considering the significance of their book value, as well as the complexity of the evaluation processes and methods.	to the significant part of the loan portfolio valued on a collective basis, the reasonableness of the classification among performing loans and non-performing loans (Staging), on the basis of available information about the debtor's status, in addition to the correct allocation of the applicable risk parameters and the accuracy of the ECL calculation formula; on loans valued on an individual basis, specific analyses were carried out, on a sample basis, regarding the reasonableness of the assumptions about the identification and quantification of the expected future cash flows, about the evaluation of the guarantees backing these exposures and the estimate of their recovery times; • Examining the completeness and adequacy of the disclosures provided in the notes to the consolidated financial statements in accordance with the applicable international accounting standards and regulatory framework.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 43 of Legislative Decree No. 136/2015 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the parent company Santander Consumer Bank SpA or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

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

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 30 March 2016 the shareholders of Santander Consumer Bank SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

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

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

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/2010

The directors of Santander Consumer Bank SpA are responsible for preparing a report on operations of the Santander Consumer Bank Group as of 31 December 2024, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

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

In our opinion, the report on operations is consistent with the consolidated financial statements of the Santander Consumer Bank Group as of 31 December 2024.

Moreover, in our opinion, the report on operations is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Rome, 11 March 2025

PricewaterhouseCoopers SpA

Signed by

Lorenzo Bellilli
(Partner)

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

Consolidated Financial Statements

Consolidated Balance Sheet

In Euro

	Balance sheets - Assets	31/12/2024	31/12/2023
10.	Cash and cash balances	1,212,135,386	1,003,747,513
20.	Financial assets designated at fair value through profit or loss	72,674,975	65,759,795
	a) Financial assets held for trading	72,671,177	65,755,997
	c) Financial assets mandator designed at fair value	3,798	3,798
30.	Financial assets at FV with effects on P&L	2,038,815,753	150,253,942
40.	Financial assets measured at amortised cost	13,672,791,740	13,930,148,161
	a) Loans and advances to banks	23,512,536	21,448,344
	b) Loans and advances to customers	13,649,279,204	13,908,699,817
50.	Hedging derivatives	10,039,458	93,815,404
60.	Changes in fair value of portfolio hedged items (+/-)	10,104,741	(48,399,633)
90.	Property, plant and equipment	180,336,898	68,156,725
100.	Intangible assets	115,475,918	137,325,432
110.	Tax assets	180,208,965	181,968,561
	a) current	71,308,055	55,837,806
	b) deferred	108,900,910	126,130,755
130.	Other assets	458,012,584	402,304,358
	Total Assets	**17,950,596,418**	**15,985,080,258**

	Liabilities and Shareholders' equity	31/12/2024	31/12/2023
10.	Financial liabilities valued at amortised cost	15,582,799,529	13,563,400,037
	a) Deposits from banks	7,686,598,363	8,750,945,628
	b) Deposits from customers	1,716,209,016	1,594,343,962
	c) Debt securities in issue	6,179,992,150	3,218,110,447
20.	Financial liabilities held for trading	74,806,072	66,801,983
40.	Hedging derivatives	33,437,972	16,166,423
60.	Tax liabilities	43,173,119	37,594,468
	a) current	41,405,254	36,375,992
	b) deferred	1,767,865	1,218,476
80.	Other liabilities	573,691,401	755,912,415
90.	Provision for employee severance pay	5,391,244	5,781,511
100.	Provisions for risks and charges	17,809,776	22,357,103
	a) commitments and guarantees given	4,424	-
	b) pensions and other post retirement benefits obligations	1,121,553	1,551,524
	c) other	16,683,799	20,805,579
120.	Valuation reserves	(184,474)	(235,708)
150.	Reserves	501,194,420	427,751,359
160.	Share premium	632,586	632,586
170.	Share capital	573,000,000	573,000,000
190.	Minorities shareholders' equity (+/-)	481,498,308	442,648,130
200.	Net Profit (Loss) for the year (+/-)	63,346,465	73,269,951
	Total liabilities and Shareholders' Equity	**17,950,596,418**	**15,985,080,258**

Consolidated Income Statement

In Euro

	Items	31/12/2024	31/12/2023
10.	Interest and similar income	961,750,393	710,853,745
	of which: interest income calculated using the effective interest method	813,220,169	593,185,006
20.	Interest expenses and similar charges	(596,088,873)	(376,243,699)
30.	**Net interest margin**	**365,661,520**	**334,610,046**
40.	Fee and commission income	243,216,449	169,723,910
50.	Fee and commission expenses	(120,101,910)	(79,634,448)
60.	**Net fee and commission**	**123,114,539**	**90,089,462**
80.	Net income financial assets and liabilities held for trading	(1,186,415)	(1,148,125)
90.	Net hedging gains (losses) on hedge accounting	(1,988,217)	11,519,478
100.	Gains and losses on disposal of:	14,568,038	6,319,040
	a) financial assets at amortised cost	14,568,038	6,319,040
120.	**Operating income**	**500,169,465**	**441,389,901**
130.	Net losses / recoveries on credit risk relating to	(127,110,255)	(52,826,332)
	a) financial assets at amortised cost	(126,493,406)	(52,826,332)
	b) attività finanziarie valutate al fair value con impatto sulla redditività complessiva	(616,849)	-
150.	**Net profit from financial activities**	**373,059,210**	**388,563,569**
180.	**Net profit from financial and insurance activities**	**373,059,210**	**388,563,569**
190.	Administrative costs:	(213,884,250)	(223,279,838)
	a) payroll costs	(90,928,825)	(111,992,043)
	b) other administrative costs	(122,955,425)	(111,287,795)
200.	Net provisions for risks and charges	(172,659)	981,335
	a) commitments and financial guarantees given	(4,424)	-
	b) other net provisions	(168,235)	981,335
210.	Net adjustments / writebacks on property, plant and equipment	(17,990,159)	(8,914,543)
220.	Net adjustments / writebacks on intangible assets	(28,100,060)	(27,811,178)
230.	Other operating income/expenses	30,724,100	26,192,348
240.	**Operating costs**	**(229,423,028)**	**(232,831,876)**
290.	**Total profit or loss before tax from continuing operations**	**143,636,182**	**155,731,693**
300.	Tax income of the year from continuing operations	(41,281,350)	(49,103,129)
310.	**Total profit or loss after tax from continuing operation**	**102,354,832**	**106,628,564**
330.	**Profit or loss for the year**	**102,354,832**	**106,628,564**
340.	Minority profit (loss) of the year	39,008,367	33,358,613
350.	**Parent Company's profit (loss) of the year**	**63,346,465**	**73,269,951**

Statement of Consolidated Comprehensive Income

In Euro

	Items	31/12/2024	31/12/2023
10.	**10. Profit (Loss) income**	**102,354,832**	**106,628,564**
	Other income components net of taxes without reversal to the income statement	**7,464**	**65,977**
70.	70. Defined benefit plans	7,464	65,977
	Other income components net of taxes with reversal to the income statement	**58,691**	**837,010**
150.	Financial assets (no equity securities) measured at fair value with an impact on total profitability	58,691	837,010
200.	**Total other income components after tax**	**66,155**	**902,987**
210.	**Overall profitability (Item 10 + 200)**	**102,420,987**	**107,531,551**
220.	Consolidated comprehensive income attributable to minorities	39,023,287	33,469,436
230.	**Consolidated comprehensive income attributable to Parent Company**	**63,397,700**	**74,062,115**

Statement of changes in Consolidated Shareholders' Equity

In Euro

Financial year 2024

	Balance at 12.31.2023	Changes in opening balances	Balance at 1.1.2024	Allocation of prior year results: Reserves	Allocation of prior year results: Dividends and other allocations	Changes during the year: Changes in reserves	Transactions on shareholders' equity: Issue of new shares	Transactions on shareholders' equity: Purchase of treasury shares	Transactions on shareholders' equity: Extraordinary distribution of dividends	Transactions on shareholders' equity: Changes in equity instruments	Transactions on shareholders' equity: Derivatives on treasury shares	Transactions on shareholders' equity: Stock options	Transactions on shareholders' equity: Changes of ownership interesrs	Redditività complessiva esercizio 2024	Group shareholders' equity at 12.31.2024	Minority interests at 12.31.2024
Share capital:	**664,754,500**		**664,754,500**			**(1,197,299)**									**573,000,000**	**90,557,201**
a) ordinary shares	664,754,500		664,754,500			(1,197,299)									573,000,000	90,557,201
b) other shares																
Share premium reserve	**12,404,771**		**12,404,771**												**632,586**	**11,772,185**
Reserves:	**733,090,688**		**733,090,688**	**106,628,564**		**1,197,299**									**501,194,420**	**339,722,130**
a) retained earnings	463,970,421		463,970,421	106,628,564		483,660									461,281,733	109,800,911
b) other	269,120,267		269,120,267.00			713,639									39,912,687	229,921,219
Valuation reserves	**187,797**		**187,797**											**66,154**	**(184,474)**	**438,425**
Equity instruments																
Treasury shares																
Net profit (loss) for the period	**106,628,564**		**106,628,564**	**(106,628,564)**										**102,354,832**	**63,346,465**	**39,008,367**
Shareholders' equity	**1,074,418,188**		**1,074,418,188**			**173.111**								**63.397.698**	**1,137,988,997**	
Minorities interests	**442,648,132**		**442,648,132**			**(173,111)**								**39.023.288**		**481,498,308**

Financial year 2023

	Balance at 12.31.2022	Changes in opening balances	Balance at 1.1.2023	Allocation of prior year results: Reserves	Allocation of prior year results: Dividends and other allocations	Changes during the year: Changes in reserves	Transactions on shareholders' equity: Issue of new shares	Transactions on shareholders' equity: Purchase of treasury shares	Transactions on shareholders' equity: Extraordinary distribution of dividends	Transactions on shareholders' equity: Changes in equity instruments	Transactions on shareholders' equity: Derivatives on treasury shares	Transactions on shareholders' equity: Stock options	Transactions on shareholders' equity: Changes of ownership interesrs	Redditività complessiva esercizio 2023	Group shareholders' equity at 12.31.2023	Minority interests at 12.31.2023
Share capital:	**662,754,500**		**662,754,500**				**2,000,000**								**573,000,000**	**91,754,500**
a) ordinary shares	662,754,500		662,754,500				2,000,000								573,000,000	91,754,500
b) other shares																
Share premium reserve	**12,404,771**		**12,404,771**												**632,586**	**11,772,185**
Reserves:	**423,520,293**		**423,520,293**	**159,770,393**			**149,800,000**								**427,751,359**	**305,339,329**
a) retained earnings	304,200,027		304,200,027	159,770,393											387,838,671	76,131,750
b) other	119,320,266		119,320,266				149,800,000								39,912,688	229,207,579
Valuation reserves	**(715,190)**		**(715,190)**											902,986	**(235,708)**	**423,505**
Equity instruments																
Treasury shares																
Net profit (loss) for the period	**159,770,393**		**159,770,393**	**(159,770,393)**										**106,628,564**	**73,269,951**	**33,358,613**
Shareholders' equity	**1,000,160,514**		**1,000,160,514**				**195,558**							**74,062,114**	**1,074,418,188**	
Minorities interests	**257,574,253**		**257,574,253**				**151,604,442**							**33,469,436**		**442,648,132**

Consolidated Cash Flow Statement (indirect method)

In Euro

A. OPERATING ACTIVITIES	Amount	Importo
	31/12/2024	31/12/2023
1. Liquidity generated from operations	**158,567,970**	**282,297,631**
- net profit for the year (+/-)	102,354,830	106,628,563
- net gains/losses on financial assets held for trading and financial assets designated at fair value through profit or loss (+/-)	263,323	309,791
- gains (losses) from hedging activities (+/-)	30,287,640	9,307,518
- net adjustments for credit risk (+/-)	61,574,462	11,980,410
- impairment/recoveries to property and equipment and intangible assets (+/-)	43,711,055	36,778,877
- net provisions for risks and charges and other costs/income (+/-)	(76,848,377)	77,193,711
- net premiums not collected (-)		
- other income insurance income/expense not collected (-/+)		
- unsettled taxes and tax credit (+/-)	2,439,427	5,987,328
- impairment/recoveries to disposal groups net of tax effect (-/+)		(797)
- other adjustments (+/-)	(5,214,390)	34,908,807
2. Liquidity generated/absorbed by financial assets	**(2,019,273,996)**	**(4,647,491,076)**
- financial assets held for trading	(32,499,737)	(18,974,943)
- financial assets designated at fair value through profit and loss		
- financial assets mandatorily designated at fair value		
- financial assets measured at fair value with an impact on total profitability	(1,891,413,409)	155,014,988
- financial assets measured at amortized cost	(6,658,922)	(4,669,178,119)
- other assets	(88,701,927)	(114,353,002)
3. Liquidity generated/absorbed by financial liabilities	**2,205,678,441**	**4,492,171,670**
- financial liabilities measured at amortized cost	2,381,820,399	4,105,638,124
- financial liabilities held for trading	33,525,609	19,334,702
- financial liabilities designated at fair value through profit and loss		
- other liabilities	(209,667,567)	367,198,844
Net Liquidity generated/absorbed by operating activities	**344,972,415**	**126,978,226**
B. INVESTING ACTIVITIES		
1. Liquidity generated by	10,024,268	653
- sale of equity investments		
- dividends collected on equity investments		
- sale of property and equipment	10,024,268	653
- sale of intangible assets		
- sale of lines of business		
2. Liquidity absorbed by	**(146,608,812)**	**(170,766,052)**
- purchase of equity investments		
- purchase of property and equipment	(140,358,267)	(37,556,451)
- purchase of intangible assets	(6,250,545)	(133,209,601)
- purchase of lines of business		
Net Liquidity generated/absorbed by investing activities	**(136,584,543)**	**(170,765,399)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares		2,000,000
- issue/purchase of equity instruments		149,800,000
- dividends distributed and other allocations		
- sale/purchase of minority control		
Net cash generated/absorbed by financing activities		**151,800,000**
NET CASH GENERATED/ABSORBED IN THE YEAR	**208,387,872**	**108,012,826**

Key:
(+) generated
(-) absorbed

Reconciliation

Items	Amount	
	31/12/2024	31/12/2023
Cash and cash equivalents at beginning of year	**1,003,747,514**	**895,734,687**
Net increase (decrease) in cash and cash equivalents	**208,387,872**	**108,012,826**
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at end of year	**1,212,135,386**	**1,003,747,514**

Notes to the Consolidated Financial Statements

Part A – Accounting Policies

A.1 – General information

Section 1 – Declaration of compliance with International Financial Reporting Standards

Pursuant to Italian Legislative Decree no. 38 of 28 February 2005, the financial statements have been prepared in compliance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission, as established by EU Regulation no. 1606 of 19 July 2002.

The Financial Statements have been prepared in accordance with Circular no. 262/05 (hereinafter also the Circular) as subsequently amended by the 8th update of 17 November 2022 (applied as from the financial statements relating to the year ended or underway as at 31 December 2023), "Banks financial statements: layouts and preparation" issued by the Bank of Italy, in the exercise of the powers established by article 9 of Italian Legislative Decree no. 38/2005 and with the Regulation of 22 December 2005. These Instructions establish binding rules governing the financial statements and how they are to be prepared, including the contents of the Notes to the financial statements.

On 21 December 2021, the Bank of Italy published the Communication "Amendment of the additions to the provisions of Circular no. 262, Bank financial statements: layout and preparation" concerning the impacts of COVID-19 and measures to support the economy. In March 2023, this provision was updated, eliminating the request for information relating to loans assisted by a grace period, while information on loans subject to public guarantee continues to be requested. This integration to Circular no. 262 is not applicable as the Group, at the reporting date, does not have loans assisted by a grace period subject to public guarantee.

In preparing the Financial Statements the IAS/IFRS in force as of the reference date of this dossier have been applied (including the SIC and IFRIC interpretations), as endorsed by the European Commission.

Listed below are changes to international accounting standards or related interpretations, approved by the European Commission, in force as of the balance sheet date:

- amendments to IAS 1 "Presentation of the Financial Statements":
  - "Classification of liabilities as current or non-current" published on 23 January 2020 and "Classification of liabilities as current or non-current - deferral of the date of entry into force" published on 15 July 2023. These amendments clarify how an entity should classify liabilities as current or non-current;
  - "Non-current liabilities with covenants" published on 31 October 2022. These amendments aim to clarify the classification in the financial statements of long-term payables subject to compliance with covenants;
- amendments to IAS 7 "Cash flow statement" and IFRS 7 "Financial instruments: supplementary information: loan agreements with suppliers" published by the IASB on 25 May 2023. These amendments aim to improve the disclosure on loan exposures to suppliers, supplementing the qualitative and quantitative reporting and disclosure obligations of the company's loan transactions and exposures to suppliers. The objective is the transparency of the disclosure in order to be able to assess the sustainability of the debt more reliably;
- amendments to IFRS 16 "Leases: Lease liabilities in a Sale and Leaseback transaction" published by the IASB on 22 September 2022. These amendments envisage that, in the application of the requirements for the measurement of lease liabilities in a sale and leaseback transaction, the seller-lessee determines the leasing charges or revised leasing charges in such a way as not to recognise any amount of profit or loss referring to the right of use retained by said seller-lessee.

Listed below are the relevant amendments issued by the IASB that will become effective after the balance sheet date:

- amendments to IAS 21 "Effects of the changes in foreign exchange rates": lack of convertibility published by the IASB on 15 August 2023. The Amendments arose following a request submitted to the IFRS Interpretations Committee regarding the determination of the exchange rate in the event that a currency is not convertible into another currency, which has led to differences in practice. The Amendments introduce requirements to establish when a currency is convertible into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it determines that a currency is not convertible into another currency. The amendments will apply from 1 January 2025; early application is permitted.

Listed below are the relevant amendments issued by the IASB but not yet endorsed, that will become effective after the balance sheet date and therefore are not applicable:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7). The amendments concern the derecognition of financial liabilities settled through electronic transfers; the classification of financial assets envisages changes in contractual terms that change the timing or amount of contractual cash flows, financial assets with "non-recourse" characteristics (without recourse) and investments in multiple instruments linked contractually. The amendments will apply from 1 January 2026.
- IFRS 18 "Presentation and disclosure in financial statements" will replace IAS 1 "Presentation of financial statements" and will be in force on a mandatory basis for years beginning on or after 1 January 2027. IFRS 18, published by the IASB on 9 April 2024, establishes new significant requirements for the presentation of financial statements, with a particular focus on: the income statement, including requirements regarding the mandatory presentation of sub-totals and combination and unbundling of information.
- Amendments to IFRS 19 "Subsidiaries without public accountability" envisaged that subsidiaries that meet certain eligibility criteria may choose to apply reduced disclosure obligations with respect to the disclosure obligations of the IFRS Accounting Standards when they comply with the recognition, measurement and presentation obligations of the IFRS Accounting Standards. Application is voluntary and will be effective from 1 January 2027 or later.
- Annual Improvements to accounting standards - Volume 11. In July 2024, the IASB issued a series of amendments that clarify the formulation of a standard, simplify or correct conflicts between the provisions of the accounting standards. The amendments will apply from 1 January 2026, but early adoption is permitted and, if applied, indication of this is required. The amendments made by the annual improvements do not introduce new disclosure obligations. The accounting standards subject to improvement are shown below:
  - IFRS 1 - First-time adoption of International Financial Reporting Standards;
  - IFRS 7 - Financial instruments: Disclosures and related Guide to the application of the accounting standard;
  - IFRS 9 - Financial instruments;
  - IFRS 10 - Consolidated financial statements;
  - IAS 7 - Statement of cash flows.

Considering the scope of the amendments in question, there are no significant impacts for the Group.

Section 2 – Basis of preparation

The Financial statements consist of the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated cash flow statement and the consolidated notes to the financial statements and are also accompanied by the directors' report on operations, results and financial position.

In compliance with the matters laid down by article 5 of Italian Legislative Decree no. 38/2005, the Financial statements have been drawn up using the Euro as the reporting currency, and the amounts in the accounting schedules are expressed in Euro, whereas unless otherwise specified, those in the Notes to the financial statements and the Report on operations are expressed in thousands of Euro.

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

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

The consolidated Report on Operations and the consolidated Notes to the financial statements provide the information required by International Accounting Standards, by Italian law and by the Bank of Italy, as well as other non-mandatory information considered necessary to give a true and fair view of the Group's situation.

In addition to the figures for the reporting period, the consolidated Financial statements and consolidated Notes to the financial statements also provide comparative figures referring to the previous year.

Contents of the consolidated financial statements

Consolidated balance sheet and consolidated income statement

The formats used for the consolidated balance sheet and consolidated income statement are made up of items, sub-items and other disclosure details (the "of which" of the items and sub-items).

For the sake of completeness, you are hereby informed that with reference to the formats laid down by the Bank of Italy, the items which do not present amounts both for the year under review and for the previous one are not shown. In the income statement, revenues are shown without a sign, whereas costs are shown in brackets.

Statement of consolidated comprehensive income

The statement of consolidated comprehensive income, starting from the profit (loss) for the year, shows the income components recognised against the valuation reserves, net of the related tax effect, in compliance with international accounting standards.

Comprehensive income is represented by providing separate evidence of the income components that will not be reversed to the income statement in the future and those that, by contrast, may be subsequently reclassified under profit (loss) for the year if certain conditions are met.

As with the consolidated balance sheet and consolidated income statement, with respect to the formats laid down by the Bank of Italy, the items which do not present amounts both for the year under review and for the previous one are not shown. In the statement of comprehensive income, revenues are shown without a sign, whereas costs are shown in brackets.

Statement of changes in consolidated Shareholders' Equity

The statement of changes in consolidated shareholders' equity shows the composition and changes in shareholders' equity accounts during the year under review and the previous one, divided into share capital, capital reserves, profit reserves and reserves from the measurement of balance sheet assets and liabilities and the result for the year.

Consolidated cash flow statement

The cash flow statement for the current year under review and the previous year has been prepared using the indirect method, whereby cash flows from operating activities are represented by the result for the year adjusted for effects of non-monetary transactions. Cash flows are broken down into those generated by operating activities, investing activities and funding activities.

In this statement, the cash flows generated during the year are shown without a sign, whereas those absorbed are shown in brackets.

Notes to the consolidated financial statements

The Notes to the consolidated financial statements include the information envisaged by the international accounting standards and Circular no. 262 of the Bank of Italy issued on 22 December 2005 and subsequent amendments applicable to the preparation of these Financial statements.

To reflect in full the formats laid down by the Bank of Italy, we also show the headings of sections on Financial statements items with zero balances in the year of reference and in the previous one.

Section 3 – Scope of consolidation and consolidation method

1. Equity investments in subsidiaries

	Head office	Registered Office	Type of relationship (1)	Nature of holding		% of votes (2)
				Parent company	% held	
A. Company						
A.1 Fully Consolidated						
1. Stellantis Financial Services Italia S.p.A.	Torino	Torino	3	Santander Consumer Bank S.p.A.	50%	
2. Stellantis Renting Italia S.p.A.	Trento	Trento	3	Stellantis Financial Services Italia S.p.A.	50%	
3. TIMFin S.p.A.	Torino	Torino	1	Santander Consumer Bank S.p.A.	51%	
4. Santander Consumer Renting S.r.l.		Bolzano	1	Santander Consumer Bank S.p.A.	100%	
5. Drive S.r.l		Bolzano	1	Santander Consumer Bank S.p.A.	75%	

Key

(1) Type of relationship:

1 = majority of voting rights at ordinary shareholders' meeting

2 = significant influence at ordinary shareholders' meetings

3 = agreements with other shareholders

4 = other forms of control

5 = joint management pursuant to ex art. 39, paragraph 1, of Legislative Decree 136/2015

6 = joint management pursuant to ex art. 39, paragraph 2, of Legislative Decree 136/2015

(2) Voting rights at ordinary shareholders' meeting, distinguishing, if applicable, between actual and potential.

2. Main considerations and assumptions for the determination of the scope of consolidation

The consolidated Financial statements include Santander Consumer Bank S.p.A. and the companies it directly or indirectly controls.

Companies in which Santander Consumer Bank S.p.A. is exposed to variable returns, or holds rights to these returns, deriving from its relationship with them and at the same time has the ability to affect returns by exercising its power over said entities are considered subsidiaries.

Control can only take place with the simultaneous presence of the following elements:

- the power to direct the significant activities of the investee;
- exposure or rights to variable returns deriving from the relationship with the investee;
- the ability to exercise its power over the investee to affect the amount of its returns.

Specifically, the Group considers the following factors in order to assess the existence of control:

- the purpose and structure of the investee, in order to identify the entity's objectives, its significant activities, or those that most affect its returns, and how these activities are governed;
- the power, in order to understand whether the Group has contractual rights that grant the ability to direct the significant activities;
- exposure to the variability of returns of the investee, in order to assess whether the return received by the Group may vary depending on the results achieved by the investee.

Furthermore, in order to assess the existence of control, potential principal-agent relationships are taken into consideration; to assess whether it operates as a principal or as an agent, the Group takes into consideration the following factors:

- decision-making power over the significant activities of the investee;
- rights held by other parties;
- the remuneration to which the Group is entitled;
- the exposure of the Group to the variability of returns deriving from any investment held in the investee.

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

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

- ownership, directly or indirectly through its subsidiaries, of more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half, or less, of the votes that can be exercised at the shareholders' meeting and practical ability to unilaterally govern the significant activities through:
  - control of more than half of the voting rights by virtue of an agreement with other investors;
  - the power to determine the financial and operating policies of the entity by virtue of statutory clauses or a contract;
  - the power to appoint or remove the majority of the members of the board of directors or of the equivalent corporate governance body;
  - the power to exercise the majority of voting rights at meetings of the board of directors or the equivalent corporate governance body.

In order to exercise power, the Group's rights over the investee must be substantial; to be substantive, these rights must be practically enforceable when decisions on the significant activities must be made. The existence and effect of potential voting rights, where substantial, are taken into consideration when assessing whether or not there is the power to direct the financial and operating policies of another entity.

It may sometimes happen that the Group exercises "de facto control" over certain entities when, even in the absence of the majority of voting rights, it possesses rights that allow it to direct the significant activities of the investee in a unidirectional manner.

There were no changes in control and consequently in the scope of consolidation.

Subsidiaries may also include any "structured entities" in which the voting rights do not represent the decisive elements for the assessment of control, including SPEs/SPVs and investment funds. Structured entities are considered subsidiaries when:

- the Group has power through contractual rights that allow the governance of the significant activities;
- the Group is exposed to variable returns from these activities.

It should be noted that, for the year under review, there is control over the segregated funds underlying the securitisation transactions issued, but not for the associated special purpose vehicles.

3. Equity investments in subsidiaries with significant minority interests

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

Company name	Minorities interests %	Minorities votes availability % (1)	Dividends paid to minorities
Stellantis Financial Services Italia S.p.A.	50%	50%	-
Stellantis Renting Italia S.p.A.	50%	50%	7,744
TIMFin S.p.A.	49%	49%	-
Drive S.r.l.	25%	25%	-

Key

(1) Available votes during the ordinary meeting

3.2 Equity investments with significant minority interests: accounting information

Company Name	Total Assets	Cash and cash equivalents	Financial assets	Tangible and intangible assets	Financial liabilities	Equity	Interest margin	Net interest and other banking income	Operating expenses	Profit (loss) from continuing operations before tax	Profit (loss) from continuing operations after tax	Profit (loss) from dismissing assets activity after tax	Prof (loss) for the period (1)	Other income elements after tax (2)	Consolidated comprehensive income (3) = (1) + (2)
Stellantis Financial Services Italia S.p.A.	9,561,361	866,224	8,250,830	98,857	8,229,699	891,829	176,273	243,893	(89,532)	127,747	89,644		89,644	31	89,675
Stellantis Renting Italia S.p.A.	289,475	12,919	247,969	9	244,512	14,305	11,105	34,049	(24,893)	6,686	4,633		4,633		4,633
TIMFin S.p.A.	523,239	10,325	500,850	861	443,341	63,012	24,796	29,059	(12,528)	1,765	1,077		1,077	(1)	1,077
Drive S.r.l.	82,110	2,516		62,336	70,508	2,408	(2,297)	(2,476)	(2,258)	(4,733)	(3,657)		(3,657)		(3,657)

4. Significant restrictions

There are no legal, contractual or regulatory restrictions that can significantly limit the ability of the Parent Company to access or use assets and settle liabilities of the Group.

5. Other information

There are no financial statements of subsidiaries referring to a date other than that of the Parent Company.

Consolidation method

Full consolidation method

Full consolidation involves "line-by-line" inclusion of the subsidiaries' balance sheet and income statement aggregates. After showing separately the minority interests' share of equity and the result for the year, the value of the equity investment is eliminated against the residual value of the subsidiary's shareholders' equity. The differences resulting from this transaction, if positive, are recognised, after possible allocation to elements of the assets or liabilities of the subsidiary, in the item Intangible assets such as goodwill or other intangible assets. Negative differences are booked to the income statement.

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

Where necessary, the financial statements of consolidated companies, prepared on the basis of different accounting criteria, are brought into line with the Group's standards.

Section 4 - Subsequent events

Pursuant to IAS 10, these financial statements were authorised for publication by the Board of Directors on 19 February 2025.

Since the end of the year and up to the date of approval of the draft Financial statements by the Board of Directors, there have been no significant events or transactions that could have a significant impact on the results explained in this report. The draft financial statements therefore reflect in detail all events that affected the Group's operations in 2024.

Business continuity disclosure

With regard to the information provided in Document no. 4 of 3 March 2010 issued jointly by the Bank of Italy, Consob and ISVAP, regarding "Information to be provided in financial reports on impairment tests, on debt covenants, on debt restructuring and on the fair value hierarchy", which makes reference to the corresponding document no. 2, again issued jointly by these three Authorities, the Group has the reasonable expectation that it will continue to operate in the foreseeable future, and, therefore, has prepared the report on a going concern basis.

More detailed information regarding the main aspects and variables existing on the market is contained in the consolidated Report on Operations.

Section 5 - Other aspects

The Financial Statements are audited by PricewaterhouseCoopers S.p.A., pursuant to the resolution of the Shareholders' Meeting of 30 March 2016, which appointed this firm to perform the audit for the nine years from 2016 to 2024.

A.2 – Main items in the financial statements

In order to ensure the uniformity of the criteria for the preparation of the financial statements, the Group has adopted an internal set of rules and policies relating to the various operating and organisational areas.

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

Classification

The financial assets other than those classified under financial assets measured at fair value through other comprehensive income and under financial assets measured at amortised cost are classified in this category.

In particular, this item includes: the positive value of derivative contracts held for trading purposes and equity instruments.

According to the general rules provided for by IFRS 9 in relation to reclassification of financial assets, no reclassifications to other categories of financial assets are permitted except in the event that the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, financial assets may be reclassified from the 'measured at fair value through profit and loss' category to one of the other two categories provided for by IFRS 9 (Financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is represented by the fair value at the time of the reclassification and the effects of the reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the date of reclassification and that date will be considered the date of initial recognition for the assignment to the various stages of credit risk for the purposes of the impairment test.

Recognition

The initial recognition of financial assets takes place on the subscription date for derivative contracts and on the settlement date for equity instruments. Upon initial recognition, financial assets measured at fair value through profit and loss are recognised at fair value, without considering the transaction costs and income directly attributable to said instrument.

Measurement

Subsequent to initial recognition, financial assets measured at fair value through profit and loss are measured at fair value. The effects of the application of this measurement approach are recognised in the income statement. In the absence of an active market, to determine the fair value, commonly adopted estimation methods and measurement models are used, which take into account all the risk factors related to the instruments and which are based on data which can be taken from the market.

Derecognition

Financial assets are only derecognised from the financial statements if their disposal involved the substantial transfer of all the risks and benefits related to the assets. On the other hand, if a significant portion of the risks and benefits of the financial assets transferred has been retained, they continue to be recognised in the financial statements, even if legally ownership of the assets has effectively been transferred.

When the transfer of essentially all the risks and benefits cannot be demonstrated, financial assets are derecognised if no form of control over them has been retained. Otherwise, even if only part of this control has been retained, the assets have to be kept in the balance sheet at an amount that reflects the residual involvement, measured by the exposure to changes in the value of assets sold and to variations in their cash flows.

Lastly, financial assets that have been sold are derecognised if the company retains the contractual rights to receive the related cash flows, with a simultaneous obligation to pay such cash flows, and only them, without a significant delay to third parties.

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

Classification

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved both through the collection of contractually envisaged cash flows and through sale ("Hold to Collect and Sell" business model), and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (known as the so-called "SPPI test" passed).

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

According to the general rules provided for by IFRS 9 in relation to reclassification of financial assets, no reclassifications to other categories of financial assets are permitted except in the event that the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, financial assets may be reclassified from the "measured at fair value through other comprehensive income" category to one of the other two categories envisaged by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit and loss). The transfer value is represented by the fair value at the time of the reclassification and the effects of the reclassification operate prospectively from the date of reclassification. In the event of reclassification from the category in question to the amortised cost category, the accumulated profit (loss) recognised in the valuation reserve adjusts the fair value of the financial asset at the date of reclassification. On the other hand, in the case of reclassification in the fair value category through profit and loss, the accumulated profit (loss) previously recognised in the valuation reserve is reclassified from shareholders' equity to profit (loss) for the year.

Recognition

The initial recognition of financial assets takes place on the settlement date for debt securities. Upon initial recognition, financial assets are measured at fair value, including transaction costs and income directly attributable to the instrument.

Measurement

Subsequent to initial recognition, the Assets classified at fair value through other comprehensive income, are measured at fair value, with recognition in the income statement of the impacts deriving from the application of the amortised cost, of the effects of the impairment and any exchange effect, while other gains or losses arising from changes in fair value are recorded in a specific equity reserve until the financial asset is derecognised. Upon disposal, total or partial, the gain or loss accumulated in the valuation reserve is reversed, in full or in part, to the income statement.

The fair value is determined on the basis of the criteria already illustrated for financial assets measured at fair value through profit and loss.

Financial assets measured at fair value through other comprehensive income are subject to the verification of the significant increase in credit risk (impairment) envisaged by IFRS 9, in the same way as assets measured at amortised cost, with the consequent recognition in the income statement of a value adjustment to cover expected losses. More specifically, on instruments classified in stage 1 (i.e. on financial assets at the time of origination, if not impaired, and on instruments for which there has not been a significant increase in credit risk compared to the initial recognition date) as at the initial recognition date and as at each subsequent reporting date, an expected loss for one year is recognised. On the other hand, for instruments classified in stage 2 (performing for which there was a significant increase in credit risk compared to the initial recognition date) and in stage 3 (non-performing exposures), an expected loss is recorded for the entire residual life of the financial instrument. It is specified that the debt securities issued by the government are not subject to the impairment process.

Derecognition

Financial assets are only derecognised from the financial statements if their disposal involved the substantial transfer of all the risks and benefits related to the assets. On the other hand, if a significant portion of the risks and benefits of the financial assets transferred has been retained, they continue to be recognised in the financial statements, even if legally ownership of the assets has effectively been transferred.

When the transfer of essentially all the risks and benefits cannot be demonstrated, financial assets are derecognised if no form of control over them has been retained. Otherwise, even if only part of this control has been retained, the assets have to be kept in the balance sheet at an amount that reflects the residual involvement, measured by the exposure to changes in the value of assets sold and to variations in their cash flows.

Lastly, financial assets that have been sold are derecognised if the company retains the contractual rights to receive the related cash flows, with a simultaneous obligation to pay such cash flows, and only them, without a significant delay to third parties.

3 – Financial assets measured at amortised cost

Classification

Financial assets (in particular loans and debt securities) that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved through the collection of contractually envisaged cash flows ("Hold to Collect" business model), and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (known as the so-called "SPPI test" passed).

More specifically, this item includes:

- loans with banks (not classified under "Cash and cash equivalents") in the various technical forms that meet the above requirements;

- loans to customers in the various technical forms that meet the above requirements;
- debt securities that meet the above requirements.

According to the general rules provided for by IFRS 9 in relation to reclassification of financial assets, no reclassifications to other categories of financial assets are permitted except in the event that the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, financial assets may be reclassified from the "measured at amortised cost" category to one of the other two categories envisaged by IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit and loss). The transfer value is represented by the fair value at the time of the reclassification and the effects of the reclassification operate prospectively from the date of reclassification. Gains or losses arising from the difference between the amortised cost of a financial asset and its fair value are recognised in the income statement in the event of reclassification to Financial assets measured at fair value through profit and loss and to Shareholders' Equity, in the appropriate valuation reserve, in the event of reclassification to Financial assets measured at fair value through other comprehensive income.

Recognition

The initial recognition of financial assets takes place on the settlement date for debt securities, and on the payout date for loans. Upon initial recognition, financial assets are measured at fair value, including transaction costs and income directly attributable to the instrument.

In particular, with regard to loans, the payout date normally coincides with the date of signing of the contract. Loans are recognised with reference to the fair value of the same. This is represented by the amount disbursed or the subscription cost, including costs/revenues that are both directly attributable to the individual loan and identifiable from the start of the transaction, even if they are settled at a later time. Costs which, despite having the above characteristics, are subject to reimbursement by the debtor counterparty are excluded.

Repurchase agreements with forward repurchase or resale obligation are recognised in the financial statements as funding or lending transactions. In particular, spot sales and forward repurchases are recognised in the financial statements as payables for the spot amount received, while spot purchases and forward resales are recognised as receivables for the amount paid forward.

Measurement

After initial recognition, the financial assets under review are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised in the financial statements for an amount equal to the initial recognition value less capital repayments, plus or minus the accumulated amortisation (calculated using the effective interest rate method) of the difference between said initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset) and adjusted by any provision to cover losses. The effective interest rate is calculated as the rate that equates the current value of the future cash flows of the asset, for principal and interest, to the amount disbursed, including costs/income attributable to the same financial asset. This accounting method, using a financial logic, makes it possible to distribute the economic effect of costs/income directly attributable to a financial asset over its estimated residual life.

The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the application of the discounting logic negligible, and for those without a defined maturity. These instruments are in any case measured according to the 3-stage model envisaged by IFRS 9, like the remaining part of the assets measured at amortised cost.

With reference to the accounting representation of the aforementioned measurement effects, the value adjustments referring to this type of assets are recognised in the income statement:

- upon initial recognition, for an amount equal to the expected loss at twelve months;
- at the time of the subsequent measurement of the asset, if the credit risk has not increased significantly compared to the initial recognition, in relation to the changes in the amount of value adjustments for expected losses for the following twelve months;
- at the time of the subsequent measurement of the asset, if the credit risk has increased significantly compared to the initial recognition, in relation to the recognition of value adjustments for expected losses referring to the entire residual life envisaged contractually for the asset;

- at the time of the subsequent measurement of the asset, if - after a significant increase in credit risk with respect to the initial recognition - the "significance" of this increase is then no longer valid, in relation to the adjustment of the cumulative value adjustments so as to take into account the transition from an expected loss over the entire residual life of the instrument ("lifetime") to a twelve month one.

The financial assets in question, if they are performing, are subject to measurement, aimed at defining the value adjustments to be recognised in the financial statements, at individual credit relationship level, based on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD) envisaged by IFRS 9.

If, in addition to a significant increase in credit risk, there is also objective evidence of impairment loss, the amount of the loss is measured as the difference between the book value of the asset - classified as "impaired", on a par with all the other relationships with the same counterparty - and the current value of the estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the income statement, is defined on the basis of an analytical measurement process or determined by standard categories and, therefore, assigned to each position and takes into account forward-looking information and possible alternative recovery scenarios. The category of impaired assets includes financial instruments that have been assigned the status of non-performing, unlikely to pay or past due/past due by more than ninety days according to the rules of the Bank of Italy, consistent with IAS/IFRS and European supervisory regulations. Expected cash flows take account of the likely recovery period and the estimated realisable value of any guarantees. The original effective rate of each asset remains unchanged over time even if a restructuring of the relationship has taken place, which has led to a change in the contractual rate and even if the relationship becomes, in practice, contractually interest-free.

If the reasons for impairment loss cease to exist due to an event occurring after recognition of the impairment, write-backs are made and booked to the income statement. The write-back cannot exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments. Write-backs associated with the passing of time are recognised in the interest margin.

In some cases, during the life of the financial assets in question and, in particular, of the loans, the original contractual conditions are subsequently modified by will of the parties to the contract. When, during the life of an instrument, the contractual clauses are subject to change, it is necessary to verify whether the original asset must continue to be recognised in the financial statements or if, on the contrary, the original instrument must be derecognised from the financial statements and a new financial instrument must be recognised. In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial". The assessment of the "substantiality" of the change must be carried out considering both qualitative and quantitative elements. In some cases, in fact, it may be clear, without recourse to complex analysis, that the changes introduced substantially change the characteristics and/or contractual flows of a given asset while, in other cases, further analysis (including quantitative) will have to be carried out to appreciate the effects of the same and check the need to proceed or otherwise with the derecognition of the asset and the recognition of a new financial instrument. The (quali-quantitative) analysis aimed at defining the "substantiality" of the contractual changes made to a financial asset must therefore consider:

- the purposes for which the changes were made: for example, renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty:
    - the former, aimed at "retaining" the customer, involve a borrower who is not in a situation of financial difficulty. This case includes all the renegotiation transactions aimed at adjusting the debt burden to market conditions. These transactions involve a change in the original conditions of the agreement, usually requested by the borrower, which concerns aspects related to the debt burden, with a consequent economic benefit for the same borrower. In general, it is believed that, whenever the bank carries out a renegotiation in order to avoid losing its customer, this renegotiation must be considered substantial since, if it were not carried out, the customer could obtain financing from another intermediary and the bank would suffer a decrease in expected future revenues;
    - the latter, carried out for "credit risk reasons" (forbearance measures), are attributable to the bank's attempt to maximise the recovery of the cash flows of the original loan. The underlying risks and benefits, subsequent to the amendments, are not generally essentially transferred and, consequently, the accounting representation that offers the most relevant information for the reader of the financial statements (except for that which will be indicated later on objective elements), is that carried out through "modification accounting", which implies the recognition in the income statement of the difference between the book value and the current value of the modified cash flows discounted at the original interest rate and not through derecognition;

- the presence of specific objective elements that affect the characteristics and/or contractual flows of the financial instrument that are considered to involve derecognition in consideration of their impact (expected as significant) on the original contractual flows.

For greater details on the methods for determining expected losses, in application of IFRS 9, as well as the determination and management of the post model adjustments/management overlays to the model, please refer to the Notes to the consolidated financial statements, Part E Credit risk.

Derecognition

Financial assets are only derecognised from the financial statements if their disposal involved the substantial transfer of all the risks and benefits related to the assets. On the other hand, if a significant portion of the risks and benefits of the financial assets transferred has been retained, they continue to be recognised in the financial statements, even if legally ownership of the assets has effectively been transferred.

When the transfer of essentially all the risks and benefits cannot be demonstrated, financial assets are derecognised if no form of control over them has been retained. Otherwise, even if only part of this control has been retained, the assets have to be kept in the balance sheet at an amount that reflects the residual involvement, measured by the exposure to changes in the value of assets sold and to variations in their cash flows.

Lastly, financial assets that have been sold are derecognised if the company retains the contractual rights to receive the related cash flows, with a simultaneous obligation to pay such cash flows, and only them, without a significant delay to third parties.

Purchase or Originated Credit Impaired

Pursuant to IFRS 9, a financial asset is considered impaired at the time of initial recognition if the credit risk is very high and, in the case of a purchase, it is purchased with significant discounts with respect to the residual contractual debt. If the financial assets in question, based on the application of the classification drivers (SPPI test and Business Model), are classified under assets measured at amortised cost or at fair value with impact on the comprehensive income, they are classified as "Purchased or Originated Credit Impaired Assets" (in short "POCI") and are subject to specific treatment with regard to the impairment process. With regard to these exposures, IFRS 9 envisages that:

- initial recognition is at fair value;
- the estimate of the expected credit loss is always quantified on the basis of the expected loss over the entire life of the financial instrument;
- the interest recognised in the accounts is determined by applying the "effective interest rate adjusted for credit risk" (so-called "EIR Credit Adjusted") or the rate that, at the time of initial recognition, discounts all future estimated cash inflows at the amortised cost of the asset, also taking into account expected credit losses in the estimate.

4 – Hedging transactions

The Group avails itself of the possibility, envisaged at the time of introduction of IFRS 9, to continue to fully apply the provisions of IAS 39 on hedge accounting.

Classification

Risk hedging transactions are arranged to neutralise potential losses, attributable to a determinate risk, and detectable on a particular element or group of elements, should that particular risk actually arise.

The types of hedges used are attributable to fair value hedging, which aims to hedge the exposure to changes in the fair value (attributable to different types of risk) of assets and liabilities recognised in the financial statements or portions of them, of groups of assets/liabilities, as permitted by IAS 39 endorsed by the European Commission. Macro hedges aim to reduce fluctuations in fair value, attributable to interest rate risk, of a monetary amount deriving from a portfolio of financial assets or liabilities.

Recognition

Derivative hedging instruments, like all derivatives, are initially recognised and subsequently measured at fair value.

A relationship qualifies as a hedge, and is consistently represented in the accounts, only if all the following conditions are met:

- at the start of the hedge, there is formal designation and documentation of the hedging relationship, the company's risk management objectives and the hedging strategy. This documentation includes the identification of the hedging instrument, the element or transaction hedged, the nature of the risk hedged and how the company assesses the effectiveness of the hedging instrument in offsetting the exposure to changes in the fair value of the element hedged or of the cash flows attributable to the hedged risk;
- the hedge is expected to be highly effective;
- the planned transaction subject to hedging, for cash flow hedges, is highly probable and presents an exposure to changes in cash flows that could affect the income statement;
- the effectiveness of the hedge can be reliably measured;
- the hedge is measured on the basis of a continuity criterion and is considered highly effective for all the reference years for which the hedge was designated.

Measurement

Hedging derivatives are measured at their fair value.

In the case of macro hedges, fair value changes with reference to the hedged risk of the assets and liabilities subject to hedging are recognised in the balance sheet, respectively, under item 60. "Value adjustment of financial assets subject to macro hedge" or 50. "Value adjustment of financial liabilities subject to macro hedge";

The effectiveness of the hedge depends on the extent to which the changes in fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is appreciated by comparing the aforementioned changes, taking into account the intent pursued by the company at the time the hedge was put in place. Effectiveness is achieved when the changes in fair value (or cash flows) of the hedging financial instrument neutralise almost entirely, i.e. within the limits established by the 80-125% range, the changes in the hedged instrument, for the risk element subject to hedging.

The assessment of effectiveness is carried out at the end of each financial year or interim period using:

- prospective tests, that justify the application of hedge accounting, by demonstrating its expected effectiveness;
- retrospective tests, which highlight the degree of effectiveness of the hedge reached in the period to which they refer, or measure the extent to which the actual results differed from the perfect hedge.

Derecognition

The recognition of fair value hedges is discontinued prospectively in the following cases:

- the hedging instrument expires, is sold, disposed of or exercised;
- the hedge no longer meets the hedge accounting criteria referred to above;
- the company revokes the designation.

If the tests do not confirm the effectiveness of the hedge, from that moment the recognition of the hedging transactions, according to the above, is interrupted, the hedging derivative contract is reclassified among the trading instruments and the hedged financial instrument reacquires the measurement criterion corresponding to its classification in the financial statements. In the event of termination of a fair value macro hedge, the accumulated revaluations/write-downs recorded in item 60. "Value adjustment of financial assets subject to macro hedge" or 50. "Value adjustment of financial liabilities subject to macro hedge" are recognised in the income statement under interest income or expense over the residual duration of the original hedging relationships, without prejudice to verification that the conditions are met.

5 – Equity investments

No equity investments remain in the balance sheet at the end of the consolidation process. The value of the equity investments in subsidiaries was eliminated and replaced by their assets, liabilities and shareholders' equity on a line-by-line basis, in accordance with the full consolidation method.

6 – Property, plant and equipment

Classification

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

Rights of use acquired through the lease and relating to the use of property, plant and equipment (for the lessee companies) and assets granted under operating leases (for the lessor companies) are included.

Recognition

Property, plant and equipment are initially recognised at purchase price, including any ancillary costs directly attributable to the purchase and commissioning of the asset.

Extraordinary maintenance costs that involve an increase in future economic benefits are booked to increase the value of the assets, while other ordinary maintenance costs are recognised in the income statement.

Measurement

Property, plant and equipment are measured at cost less depreciation and any impairment losses.

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

If there is any indication that property, plant and equipment measured at cost may have suffered an impairment loss, a comparison is made between the book value of the asset and its recoverable value. Any adjustments are recorded in the income statement. If the reasons that led to the recognition of the loss no longer apply, a write-back is recorded, which cannot exceed the value that the asset would have had, net of the calculated depreciation, in the absence of previous impairment losses.

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

Pursuant to IFRS 16, a "lease" is a contract, or part of a contract, which, in exchange for a consideration, transfers the right of use of an asset (the underlying asset) for a period of time. According to IFRS 16, leases are accounted for on the basis of the right-of-use model, for which, at the initial date, the lessee has a financial obligation to make payments due to the lessor to offset its right to use the underlying asset during the lease period. When the asset is made available to the lessee for its use (initial date), the lessee recognises both the liability and the asset consisting of the right of use.

In particular, the right of use acquired through the lease is recognised as the sum of the current value of the future instalments to be paid for the contractual duration modified by the estimate of the renewal and termination options, the payments for leases paid on or before the date of commencement of the lease, any incentives received, the initial direct costs and any estimated costs for the decommissioning or restoration of the asset underlying the lease.

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

With regard to the discount rate, on the basis of IFRS 16 requirements, the Group uses the implicit interest rate for each lease agreement, where available. With regard to lease agreements from the lessee's point of view, in some cases, for example with reference to rental agreements, the implicit interest rate cannot always be readily determined without recourse to estimates and assumptions (the lessee does not have enough information on the unsecured residual value of the leased asset). In such cases, the Group has developed a method to define the incremental interest rate as an alternative to the implicit interest rate and has decided to adopt the internal funding transfer rate. This is an unsecured and amortising rate curve, as the lease agreement provides for equal lease payments typically fixed for the duration of the contract, and not a single payment on maturity. This rate takes into account the duration of the lease, as well as the economic environment in which the transaction takes place and therefore is in line with the requirements of the standard.

The lease term is determined taking into account:

- periods covered by an option to extend the lease, if the exercise of said option is reasonably certain;
- periods covered by an option to terminate the lease, if the exercise of said option is reasonably certain.

During the term of the lease agreement, the lessee must:

- measure the right of use at cost, net of accumulated amortisation and cumulative value adjustments determined and accounted for on the basis of the provisions of IAS 36 "Impairment of assets", adjusted to take into account any restatements of lease liabilities;
- increase the liability deriving from the lease transaction as a result of the accrual of interest expense calculated at the implicit interest rate of the lease, or, alternatively, at the marginal borrowing rate and reduce it for payments of principal and interest.

In the event of changes in the payments due for the lease, the liability must be restated; the impact of the restatement of the liability is recognised against the asset consisting of the right of use.

Lastly, note that the Group avails itself of the exemptions permitted by IFRS 16 for short-term leases (i.e. duration of less than or equal to 12 months) or leases of modest value assets (i.e. value less than or equal to Euro 5,000).

Derecognition

Property, plant and equipment are derecognised from the balance sheet on disposal, or when the asset concerned is permanently taken out of use and no further economic benefits are expected from its disposal.

7 – Intangible assets

Classification

Intangible assets include other intangible assets, consisting in particular of rights with a defined useful life such as purchased trademarks and software.

Intangible assets are recognised if they are identifiable and reflect legal or contractual rights.

Recognition

Intangible assets are recognised at cost, adjusted for any ancillary charges only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in the income statement in the period when the cost is incurred.

Measurement

For assets with a defined useful life, the cost is amortised on a straight-line basis according to the flow of economic benefits expected from the asset.

If there is any indication that an asset may have suffered an impairment loss, the recovery value of the asset is estimated. The impairment loss, expensed to income, is the difference between the carrying amount of an asset and its recoverable amount.

Derecognition

Intangible assets are derecognised from the balance sheet on disposal and when no more future economic benefits are expected.

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

The Group does not have any non-current assets held for sale and discontinued operations.

9 – Current and deferred taxes

Income taxes, calculated in accordance with national tax legislation, are accounted for as a cost on an accrual basis, consistent with the methods under which the costs and revenues that generated them are recognised in the financial statements. Therefore, they represent the balance of current and deferred taxes relating to the income for the year.

Current tax assets and liabilities include the net balance of the positions of the Group companies vis-à-vis the Italian tax authorities attributable to direct taxes. In particular, these items include the net balance between the tax liabilities of previous years and current ones for the year, calculated on the basis of a prudent forecast of the tax liability due for the year, determined on the basis of the tax regulations in force, and the current tax assets represented by payments on account, withholding taxes or other tax credits. The risk inherent in such procedures - in the same way as the risks inherent in procedures that did not require interim payments - is assessed according to the logic of IAS 37, in relation to the likelihood of using economic resources for their fulfilment.

Taking into account the adoption of the national tax consolidation scheme by the Group, the tax positions referable to the Group companies are managed separately from an administrative point of view.

Deferred taxes are determined on the basis of the so-called balance sheet liability method, taking into account the tax effect associated with the timing differences between the book value of assets and liabilities and their tax value, which will determine taxable or deductible amounts in future periods. For such purposes, "taxable timing differences" are those that in future periods will determine taxable amounts and "deductible timing differences" are those that in future years will determine deductible amounts.

Deferred taxes are calculated by applying the tax rates established by the legal provisions in force to the taxable timing differences for which there is the probability of an actual incurring of taxes and to the deductible timing differences for which there is reasonable certainty that there will be future taxable amounts at the moment in which the related tax deductibility will occur (probability test). Deferred tax assets and liabilities relating to the same tax and falling due in the same period are offset.

If deferred tax assets and liabilities refer to items which have affected the income statement, they are booked against income taxes.

In cases where the deferred tax assets and liabilities relate to transactions that were booked directly to equity without affecting the income statement (such as adjustment on first time application of the IAS/IFRS, the valuations of financial instruments recognised at fair value through other comprehensive income), they too are booked through shareholders' equity, affecting the specific reserves when this is foreseen (e.g. valuation reserves). Deferred taxes referring to companies included in the tax consolidation scheme are recognised in their financial statements, in application of the accruals criterion and in consideration of the value of the tax consolidation limited to the settlement obligations of current tax positions. Latent taxes on the shareholders' equity components of the consolidated companies is not recognised in the financial statements if it is not considered probable that the conditions for the related taxes will occur, and thus also in relation to the long-term nature of the investment.

10 – Provisions for risks and charges

Provisions for risks and charges in the presence of commitments and guarantees given

The sub-item of provisions for risks and charges in question includes provisions for credit risk recognised in the presence of commitments to disburse funds and guarantees given that fall within the scope of application of the rules on impairment pursuant to IFRS 9. For these cases, in principle, the same methods are adopted for allocation between the three stages (credit risk stages) and calculation of the expected loss shown with reference to financial assets measured at amortised cost or fair value through other comprehensive income.

Pension funds and other provisions

Pension funds and other provisions for risks and charges include the provisions relating to legal obligations or associated with employment relationships or disputes, including tax-related, originating from a past event for which it is probable that economic resources will be disbursed to fulfil said obligations, provided that a reliable estimate of the related amount can be made.

Consequently, a provision is recognised if and only if:

- there is a pending obligation (legal or implicit) as a result of a past event;
- it is probable that the use of resources suitable for producing economic benefits will be necessary to fulfil the obligation; and
- a reliable estimate can be made of the amount deriving from the fulfilment of the obligation.

The amount recognised as a provision represents the best estimate of the expense required to fulfil the obligation existing at the reporting date and reflects risks and uncertainties that inevitably characterise a number of facts and circumstances.

Provisions are charged to the income statement. The provision is reversed when the use of resources suitable for producing economic benefits to fulfil the obligation becomes unlikely or when the obligation is extinguished.

11 – Financial liabilities measured at amortised cost

Classification

Deposits from banks, Deposits from customers and Debt securities issued represent the various forms of interbank and customer funding. Also included are payables recognised by the company as lessee in the context of lease operations.

Recognition

The initial recognition of these financial liabilities takes place on the date the agreement is signed, which normally coincides with the moment of receipt of the amounts collected or on issue of the debt securities.

These liabilities are initially recognised at their fair value, usually corresponding to the amount collected or the issue price, plus any additional costs/proceeds directly attributable to the individual funding or issue transaction. Internal administrative costs are excluded.

Lease payables are recognised at the current value of future lease payments, discounted using the rate mentioned in the related section on leases.

Measurement

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

As an exception, short-term liabilities are measured at the amount collected, as the effect of the time factor is insignificant.

Lease payables are restated when there is a lease modification (e.g. a change in the agreement that is not accounted for/considered as a separate contract); the effect of the restatement will be recorded through the right-of-use asset.

Derecognition

Financial liabilities are derecognised when they expire or are settled.

12 – Financial liabilities held for trading

Recognition and classification

The financial instruments in question are recognised on the subscription date or the issue date at a value equal to the fair value of the instrument, without considering possible transaction costs or income directly attributable to the instrument concerned.

This category of liabilities includes, in particular, trading derivative contracts with negative fair value.

Measurement

All liabilities held for trading are measured at fair value with the result of the measurement recognised in the income statement.

Derecognition

These liabilities are derecognised when the contractual rights to the cash flows cease or when a financial liability is sold and substantially all of the risks and benefits associated with it are transferred.

13 – Financial liabilities designated at fair value

The Group does not have any financial liabilities designated at fair value.

14 – Foreign currency transactions

The Group does not have any transactions in foreign currency.

15 – Insurance assets and liabilities

The Group does not have any insurance assets and liabilities.

16 – Other information

Cash and cash equivalents

The item "Cash and cash equivalents" includes the recognition mainly of current accounts and "on demand" deposits with central banks, with the exception of the compulsory reserve, as well as "on demand" receivables (current accounts and on demand deposits) vis-à-vis banks. Cash receivables that can be withdrawn by the creditor at any time without notice or with 24 hours or one working day's notice are considered "on demand" receivables. Receivables with a contractual obligation of expiry equal to 24 hours or one working day are also included among the "on demand" receivables. These components are valued according to the general principle of the estimated realisable value, which normally coincides with the nominal value. These assets are derecognised from the financial statements at the natural end of the contractual rights, if any, on the related cash flows.

Treasury shares

There are no treasury shares to be deducted from shareholders' equity.

Share-based payments

The Group has no share-based payments.

Accruals and deferrals

Accruals and deferrals that include charges and income pertaining to the period accrued on assets and liabilities are recognised in the financial statements as an adjustment to the assets and liabilities to which they refer.

Leasehold improvement expenditure

The restructuring costs for properties not owned are capitalised in consideration of the fact that for the duration of the lease agreement the user company has control of the assets and can derive future economic benefits from them. The aforementioned costs, classified under Other assets and under property, plant and equipment (if the regulatory requirements are met), are depreciated for a period not exceeding the duration of the lease agreement.

Provision for employee severance pay

Employee severance pay is considered a "post-employment benefit" and was limited by the entry into force of the reform envisaged by Italian Law no. 296/2006 (2007 Finance Act) on supplementary pensions.

For discounting purposes, the rate used is determined with reference to the market return taking into account the average residual duration of the liability, weighted on the basis of the percentage of the amount paid and advanced, for each maturity, with respect to the total to be paid and advanced until the final settlement of the entire obligation. Costs for the service of the plan are accounted for under personnel costs, while actuarial gains and losses are recognised in the statement of comprehensive income.

Revenue and cost recognition

Revenues are gross flows of economic benefits arising in the ordinary course of business and are recognised at the time control of the goods or services is transferred to the customer, at an amount representing the amount of consideration to which one is deemed to be entitled. In particular, revenue is recognised by means of the application of a model that must meet the following criteria:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the consideration expected for the transfer of goods or services to the customer;
- allocation of the transaction price to each "performance obligation", based on the sale prices of the individual obligation;
- recognition of revenues when (or gradually as) the performance obligation is fulfilled by transferring the promised good or service to the customer.

The transaction price represents the amount of consideration to which the entity deems it is entitled to in exchange for transferring the promised goods and services to the customer. It may include fixed or variable amounts or both. Revenues configured as variable consideration are recognised in the income statement if they can be reliably estimated and only if it is highly probable that this consideration will not be reversed from the income statement in subsequent periods, in full or to a significant extent. In the event of a high prevalence of factors of uncertainty linked to the nature of the consideration, the same will be recognised only when said uncertainty is resolved.

Revenues can be recognised:

- at a precise moment, when the entity fulfils the performance obligation transferring the promised good or service to the customer, or
- over time, as the entity gradually fulfils the performance obligation transferring the promised good or service to the customer.

The asset is transferred when, or during the period in which, the customer acquires control of it.

Specifically:

- interest is recognised on a pro-rata basis with regard to the contractual interest rate or the effective interest rate if the amortised cost is applied. Interest income (or interest expense) also includes positive (or negative) spreads or margins accrued up to the reporting date, relating to financial derivative contracts:
  - hedging assets and liabilities that generate interest;
  - operationally related to assets and liabilities classified in the trading book and which envisage the settlement of spreads or margins with multiple maturities;
- interest on arrears, possibly envisaged contractually, is recorded in the income statement only at the time of its actual collection;
- dividends are recognised in the income statement at the time their distribution is resolved, unless this date is unknown or the information is not immediately available, in which case recognition at the time of collection is permitted;

- commission for revenues from services are recognised, on the basis of the existence of contractual agreements, in the period in which the services were provided. Commission considered in the amortised cost for the purposes of determining the effective interest rate is recognised under interest;
- gains and losses deriving from the trading of financial instruments are recognised in the income statement at the time of finalisation of the sale, on the basis of the difference between the amount paid or collected and the book value of the instruments themselves;
- revenues from the sale of non-financial assets are recognised at the time the sale is completed, or when the performance obligation vis-à-vis the customer is fulfilled.

Costs are recognised in the income statement on an accruals basis; the costs relating to obtaining and fulfilling contracts with customers are recognised in the income statement in the periods in which the related revenues are recorded.

Method of determining the amortised cost

The amortised cost of a financial asset or liability is the amount at which it was measured on initial recognition, net of repayments of principal, plus or minus accumulated amortisation (calculated using the effective interest method) of the differences between the initial value and its value on maturity, less any impairment loss.

The effective interest rate is the rate that equates the present value of a financial asset or liability to the contractual flow of future cash payments, either received up to the expected maturity or to the next date when the price is recalculated. To calculate the present value, the effective interest rate is applied to the future cash flows received or paid through the entire life of the financial asset or liability, or for a shorter period under certain conditions (for example, if there is a review in market rates).

After initial recognition, the amortised cost permits the allocation of revenues and costs to decrease or increase the instrument over its entire expected life through the amortisation process. The calculation of the amortised cost differs depending on whether the financial assets/liabilities subject to valuation are at a fixed or variable rate and - in the latter case - depending on whether the variability of the rate is known or not in advance. For instruments with a fixed rate or fixed rate by time brackets, future cash flows are quantified on the basis of the known interest rate (single or floating) during the life of the loan. For financial assets/liabilities with a floating rate, whose variability is not known in advance (for example because it is linked to an index), the calculation of the cash flows is carried out on the basis of the last known rate. At each rate review date, the amortisation plan and the effective rate of return are recalculated over the entire useful life of the instrument, i.e. until the maturity date. The adjustment is recognised as a cost or income in the income statement.

The measurement at amortised cost is carried out for financial assets measured at amortised cost and for those measured at fair value through other comprehensive income, as well as for financial liabilities measured at amortised cost.

Financial assets and liabilities traded under market conditions are initially recognised at their fair value, which normally corresponds to the amount disbursed or paid including, for instruments measured at amortised cost, transaction costs and commission that is directly attributable. Transaction costs include internal or external marginal costs and income attributable to the issue, acquisition or disposal of a financial instrument that cannot be recharged to the customer. These fees, which must be directly attributable to the individual financial asset or liability, affect the original effective return and make the effective interest rate associated with the transaction different from the contractual interest rate. Costs/income relating to several transactions without distinction and components related to events that may occur during the life of the financial instrument, but which are not certain at the time of the initial definition, are excluded, such as for example: commission for retrocession, for failure to use, for early repayment. In addition, the amortised cost calculation does not include the costs that the company should incur regardless of the transaction, those which, although specifically attributable to the transaction, fall within the normal practice of managing the loan. With particular reference to receivables, commission paid to distribution channels and direct insurance policies are considered costs attributable to the financial instrument; while the revenues considered in the calculation of the amortised cost are the up-front commission.

For the securities issued, the placement commission of the bond loans paid to third parties and the structuring activities are considered in the calculation of the amortised cost, while the recurring maintenance commission is not considered in the amortised cost.

Use of estimates and assumptions in preparing financial information

The preparation of financial reports requires the use of estimates and assumptions that may have a significant effect on the amounts recognised in the balance sheet and income statement, and on the disclosure of contingent assets and liabilities reported in the financial statements. The development of such estimates involves the use of available information and the adoption of subjective judgements based on past experience, which are used to formulate reasonable assumptions for recording corporate events. By their nature, the estimates and assumptions used can vary from year to year, which means that it cannot be excluded that in future years the figures in the financial statements may differ significantly due to changes in the subjective judgements used.

The main situations in which management has to make subjective judgements include the following:

- the quantification of impairment losses on receivables and other financial assets;
- the use of valuation models for determining the fair value of financial instruments not listed in active markets;
- assessing whether the value of other intangible assets is fair;
- quantifying personnel provisions and provisions for risks and charges;
- making estimates and assumptions regarding the recoverability of deferred tax assets.

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

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

The Group has not reclassified any financial assets during the year.

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

The Group has not reclassified any financial assets during the year.

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

The Group has not made transfers of portfolios between the different categories of financial assets during the year.

A.4 – Information on fair value

Qualitative information

The Group regulates and formalises the measurement of fair value through internal policies, overseen by the Market Risk unit.

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

Underlying the definition of fair value is the presumption that the Group finds itself in the normal course of business with no intention of liquidating its assets, of significantly reducing the level of its assets or of proceeding with the definition of transactions at unfavourable conditions. For this reason, the fair value of an asset or liability is based on the assumption that participants act to best satisfy their economic interests, consequently favouring the main active markets, or in the absence thereof, the most advantageous secondary active market.

The Group can therefore use the following valuation models:

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

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

The measurement techniques adopted by the Group are as follows:

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

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

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

- observable inputs: processed using market data, such as publicly available information on actual transactions or events, and which reflect the assumptions that market participants would use in determining the price of the asset or liability;
- non-observable inputs: no market information is available and they are processed using the best information available regarding assumptions that market participants would use in determining the price of the asset or liability. The majority of these inputs come from sources within the Santander Group.

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

A.4.2 Valuation processes and sensitivity

The risk-free and risk-spread parameters are updated on a quarterly basis and are intended to incorporate fluctuations deriving from market risk. These values are periodically monitored by the Market Risk unit in order to continuously assess the adequacy of the models used, subject to review at least once a year.

A.4.3 Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure the fair value into three levels. This hierarchy assigns the highest priority to (unadjusted) listed prices in active markets for identical assets or liabilities (Level 1) and minimum priority to non-observable inputs (Level 3).

Specifically:

- Level 1: when the measurement of the instrument is obtained directly from (unadjusted) listed prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: if an active market price has not been found and the measurement is carried out using a valuation technique, on the basis of parameters observable on the market, or on the use of parameters that are not observable but supported and confirmed by market evidence, such as prices, spreads or other inputs;
- Level 3: when the measurements are carried out using different inputs, not all derived directly from parameters observable on the market and therefore involve estimates and assumptions by the appraiser.

During the year, no transfers were made between fair value levels.

A.4.4 Other Information

There are no cases referred to in IFRS 13, paragraphs 48, 93 letter (i), and 96.

A.4.5 Fair value hierarchy

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

	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets valued at fair value with impact on income statement	-	72,671	4	-	65,756	4
a) financial assets held for trading	-	72,671	-	-	65,756	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) o+ther financial assets compulsorily assessed at fair value	-	-	4	-	-	4
2. Financial assets valued at fair value with impact on overall profitability	-	-	2,038,816	150,254	-	-
3. Cover derivatives	-	10,039	-	-	93,815	-
4. Tangible assets	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**-**	**82,711**	**2.038.820**	**150.254**	**159,571**	**4**
1. Financial liabilities held for trading	-	74,806	-	-	66,802	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Cover derivatives	-	33,438	-	-	16,166	-
Total	**-**	**108,244**	**-**	**-**	**82,968**	**-**

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

At the reporting date, there were no transfers of assets and liabilities between level 1 and level 2 to be disclosed.

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

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

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

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

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

Assets / Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets valued at amortized cost	13,672,792	303,332	-	12,058,798	13,930,148	302,796	-	12,547,322
2. Available for sale financial assets	-	-	-	-	-	-	-	-
3. Non current assets classified as held for sale	-	-	-	-	-	-	-	-
Total	**13,672,792**	**303,332**	**-**	**12,058,798**	**13,930,148**	**302,796**	**-**	**12,547,322**
1. Financial liabilities measured at amortized cost	15,582,800	-	2,643,909	12,909,862	13,563,400	-	3,502,939	10,056,358
2. Liabilites included in disposal group classified as hfs	-	-	-	-	-	-	-	-
Total	**15,582,800**	**-**	**2,643,909**	**12,909,862**	**13,563,400**	**-**	**3,502,939**	**10,056,358**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2

L3 = Level 3

A.5 – Information on "Day One Profit/Loss"

The Group does not hold any financial instruments that meet the conditions referred to in paragraph 28 of IFRS 7.

Part B – Information on the consolidated balance sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total 31/12/2024	Total 31/12/2023
a) Cash	9	11
b) Current account and demand deposits with Central banks	828,284	651,207
c) Current accounts and demand deposits with banks	383,842	352,530
Total	**1,212,135**	**1,003,748**

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

2.1 Financial assets held for trading: breakdown by type

Voci/Valori	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
A. Balance-sheet assets						
1. Debt securities		-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other securietes	-	-	-	-	-	-
2. Equity securites	-	-	-	-	-	-
3. Investment funds unit	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 REPOs	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments	-	-	-	-	-	-
1. Financial derivates	-	72,671	-	-	65,756	-
1.1 trading	-	72,671	-	-	65,756	-
1.2 fair value hedges	-	-	-	-	-	-
1.3 others	-	-	-	-	-	-
2. Credit derivates	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 fair value hedges	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-
Total (B)	**-**	**72,671**	**-**	**-**	**65,756**	**-**
Total (A+B)	**-**	**72,671**	**-**	**-**	**65,756**	**-**

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

The financial derivatives item includes the positive fair value of the derivatives entered into as part of the proprietary securitisation transactions, without cancellation.

2.2 Financial assets held for trading: breakdown by borrower/issuer/counterparty

Items/Values	Total 31/12/2024	Total 31/12/2023
A. Financial assets		
1. Debt securities	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other finanzial companies	-	-
di cui: imprese di assicurazione	-	-
c) Non financial companies	-	-
d) Other issuers	-	-
3. Units investment funds	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
f) Families	-	-
Total (A)	**-**	**-**
B. Derivative instruments		
a) Central Counterparties	-	-
b) Others	72,671	65,756
Total (B)	**72,671**	**65,756**
Total (A+B)	**72,671**	**65,756**

2.3 Financial assets designated at fair value: breakdown by type

The Group does not have any financial assets designated at fair value.

2.4 Financial assets designated at fair value: breakdown by borrower/issuer

The Group does not have any financial assets designated at fair value.

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

Items/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Others	-	-	-	-	-	-
2. Equity instruments	**-**	**-**	**4**	**-**	**-**	**4**
3. Units investment funds	**-**	**-**	**-**	**-**	**-**	**-**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 REPO	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**-**	**-**	**4**	**-**	**-**	**4**

2.6 Other financial assets mandatorily measured at fair value: breakdown by borrower/issuer

	Total	Total
	31/12/2024	31/12/2023
1. Equity instruments	**4**	**4**
of which: banks	-	-
of which: other financial companies	-	-
of which: other non financial companies	4	4
2. Debts securities	**-**	**-**
a) Central Banks	-	-
b) Public sector entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
3. Units investment funds	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public sector entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
f) Households	-	-
Total	**4**	**4**

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

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

Item/Values	Total			Total		
	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debts securities	-	-	-	150,254	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	-	-	-	150,254	-	-
2. Equity instruments	-	-	-	-	-	-
3. Loans	-	-	2,038,816	-	-	-
Total	**-**	**-**	**2,038,816**	**150,254**	**-**	**-**

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

The item loans includes the wholesale portfolio of the subsidiary Stellantis Financial Services Italia, (relating to dealers) for the purchase of new and demonstration cars.

Stellantis Financial Services Italia, having decided in 2024 to hold these financial assets with the dual objective of both the collection of contractual cash flows and the possibility of selling the financial asset, classified the new wholesale loans under Financial assets measured at fair value through other comprehensive income

The fair value measurement of these loans, given the short duration of the products, approximates the cost, net of the related value adjustments.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by borrower/issuer

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Debt securities	**-**	**150,254**
a) Central Banks	-	-
b) Public entities	-	150,254
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- other financial companies	-	-
of which: insurance companies	-	-
- non financial companies	-	-
- others	-	-
3. Loans	**2,038,816**	**-**
a) Central Banks	-	-
b) Public entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	2,038,816	-
f) Households	-	-
Total	**2,038,816**	**150,254**

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total write-downs

		Gross amount					Writedowns				
		First stage	of which: low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	Write-off parziali complessivi
Debt securities		-	-	-	-	-	-	-	-	-	-
Loans		1,958,178	-	77,840	3,414	-	578	13	26	-	-
Total	**31/12/2024**	**1,958,178**	**-**	**77,840**	**3,414**	**-**	**578**	**13**	**26**	**-**	**-**
Total	**31/12/2023**	**150,254**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

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

Type of transaction/Values	Total 31/12/2024						Total 31/12/2023					
	Balance value			Fair value			Balance value			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
A. Receivables to Central Banks	**15,098**	**-**	**-**	**-**	**-**	**15,098**	**13,468**	**-**	**-**	**-**	**-**	**13,468**
1. Deposits to Maturity	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserves	14,237	-	-	X	X	X	12,892	-	-	X	X	X
3. Repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	861	-	-	X	X	X	576	-	-	X	X	X
B. Receivables to banks	**8,415**	**-**	**-**	**-**	**-**	**8,415**	**7,980**	**-**	**-**	**-**	**-**	**7,980**
1. Loans	8,415	-	-	-	-	8,415	7,980	-	-	-	-	7,980
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Other loans:	8,415	-	-	X	X	X	7,980	-	-	X	X	X
- Repos	-	-	-	X	X	X	-	-	-	X	X	X
- Finance leases	3,246	-	-	X	X	X	2,356	-	-	X	X	X
- Others	5,169	-	-	X	X	X	5,624	-	-	X	X	X
2. Debts securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**23,513**	**-**	**-**	**-**	**-**	**23,513**	**21,448**	**-**	**-**	**-**	**-**	**21,448**

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

The item "Other loans - Other", mainly refers to the guarantee deposits, linked to the derivative contracts.

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

Type of transaction/Values	Total						Total					
	31/12/2024						31/12/2023					
	Balance value			Fair value			Balance value			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Loans	**13,237,637**	**109,575**	**572**	**-**	**-**	**12,035,286**	**13,523,471**	**81,327**	**1,943**	**-**	**-**	**12,525,873**
1. Deposits from customers	93,927	552	-	X	X	X	52,123	556	-	X	X	X
2. REPOs	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgages	-	-	-	X	X	X	-	-	-	X	X	X
4. Credit cards, personal loans and wage assignment losses	7,180,694	52,666	284	X	X	X	5,717,205	39,582	1,063	X	X	X
5. Lease loans	1,114,976	15,228	256	X	X	X	1,021,062	7,848	800	X	X	X
6. Factoring	208,790	2,474	-	X	X	X	218,063	2,640	-	X	X	X
7. Other loans	4,639,250	38,655	31	X	X	X	6,515,018	30,700	80	X	X	X
2. Debt securities	**301,496**	**-**	**-**	**303,332**	**-**	**-**	**301,958**	**-**	**-**	**302,796**	**-**	**-**
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	301,496	-	-	303,332	-	-	301,958	-	-	302,796	-	-
Total	**13,539,133**	**109,575**	**572**	**303,332**	**-**	**12,035,286**	**13,825,429**	**81,327**	**1,943**	**302,796**	**-**	**12,525,873**

The item "Other loans" includes car loans and special-purpose loans.

4.3 Financial assets measured at amortised cost: loans to customers, breakdown by borrower/issuer

Type of transaction / Values	Total			Total		
	31/12/2024			31/12/2023		
	First and second stage	Third stage	Purchased or originated impaired assets	First and second stage	Third stage	Purchased or originated impaired assets
1. Debt securities	**301,496**	**-**	**-**	**301,958**	**-**	**-**
a) Public Administration	301,496	-	-	301,958	-	-
b) Other financial companies	-	-	-	-	-	-
=S70	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Loans to:	**13,237,637**	**109,575**	**572**	**13,523,471**	**81,327**	**1,943**
a) Public-sector entities	1,340	3,479	-	1,459	3,630	-
b) Other financial companies	15,545	64	-	13,582	77	-
of which: insurance companies	2	3	-	3	2	-
c) Non-financial companies	2,138,874	20,245	230	3,882,669	11,186	681
d) Households	11,081,878	85,787	342	9,625,762	66,434	1,262
Total	**13,539,133**	**109,575**	**572**	**13,825,429**	**81,327**	**1,943**

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

	Gross amount					Writedowns				
	First stage	of which: low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	Write off partial total
Debt securities	301,496	-	-	-	-	-	-	-	-	-
Loans	12,998,891	-	344,694	286,293	2,237	47,983	34,452	176,718	1,665	-
Total at 31/12/2024	**13,300,387**	**-**	**344,694**	**286,293**	**2,237**	**47,983**	**34,452**	**176,718**	**1,665**	**-**
Total at 31/12/2023	**13,551,733**	**-**	**360,095**	**201,965**	**3,610**	**45,856**	**19,094**	**120,638**	**1,666**	**-**

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and levels

	Fair Value 31/12/2024			NV	Fair Value 31/12/2023			NV
	L1	L2	L3	31/12/2024	L1	L2	L3	31/12/2023
A. Financial derivatives								
1) Fair value	-	10,039	-	719,416	-	93,815	-	2,934,817
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**10,039**	**-**	**719,416**	**-**	**93,815**	**-**	**2,934,817**

Key:
NV = Notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

With regard to the verification of the effectiveness of the hedge with respect to the underlying element, please refer to the Notes to the consolidated financial statements - Part E - Section 2 - Market risks.

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

Transaction / Type of hedging	Fair Value						Cash-flow hedges		Net Investments on foreign subsidiaries
	Micro					Macro	Micro	Macro	
	debt securities and interest rates	equity securities and stock indexes	currencies and gold	commodities	others				
1. Available for sale financial assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Portfolio	X	X	X	X	X	10,039	X	-	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**10,039**	**-**	**-**	**-**
1. Financial Liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**X**
1. Highly probable transactions (CFH)	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

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

6.1 Value adjustment of hedged assets: breakdown by hedged portfolios

	Total 31/12/2024	Total 31/12/2023
1. Positive fair value changes	**31,215**	**1,881**
1.1 of specific portfolios:	31,215	1,881
a) financial assets at amortized cost	31,215	1,881
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
1.2 overall	-	-
2. Negative fair value changes	**21,110**	**50,281**
2.1 of specific portfolios:	21,110	50,281
a) financial assets at amortized cost	21,110	50,281
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
2.2 overall	-	-
Total	**10,105**	**(48,400)**

The balance of changes in the value of assets subject to macro hedging against interest rate risk is recognised in this item, with regard to the application of which the Bank avails itself of the possibility, envisaged by IFRS 9, to continue to apply the provisions permitted by IAS 39 in the carve-out version.

The positive adjustment of Euro 31,215 thousand (overall negative adjustment for 2023 of Euro -48,400 thousand) represents the value adjustment of the financial assets subject to macro hedge against interest rate risk and is consequent to the increase in interest rates.

The negative adjustment of Euro 21,110 thousand represents the residual value of the unwinding transactions carried out during the year. For further details, please refer to the Consolidated report on operations -D - Other facts worth mentioning.

Section 7 – Equity investments – Item 70

The Group has no equity investments.

Section 8 – Insurance assets – Item 80

The Group has no insurance companies.

Section 9 – Property, plant and equipment – Item 90

9.1 Property, plant and equipment used for business purposes: breakdown of assets measured at cost

Activities/Values	Total 31/12/2024	Total 31/12/2023
1. Owened assets	**168,149**	**54,909**
a) lands	-	-
b) buildings	-	-
c) furniture	563	614
d) electronic system	2,620	2,508
e) other	164,966	51,787
2. Leased assets	**12,188**	**13,248**
a) lands	-	-
b) buildings	11,869	12,442
c) furniture	-	-
d) electronic system	-	-
e) other	319	806
Total	**180,337**	**68,157**
of which: obtained by the enforcement of collateral	-	-

The item "owned assets - other" mainly includes cars purchased for operating leases.

For further details on the item "property, plant and equipment purchased under finance leases", please refer to Notes to the consolidated financial statements - Part M Report on leases.

9.2 Property, plant and equipment held for investment: breakdown of assets measured at cost

The Group does not have any property, plant or equipment held for investment.

9.3 Property, plant and equipment used for business purposes: breakdown of revalued assets

The Group does not have any property, plant and equipment used for business purposes that have been revalued.

9.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

The Group has property, plant and equipment held for investment.

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

The Group does not have any property, plant and equipment obtained through the enforcement of the guarantees received or other inventories of property, plant and equipment.

9.6 Property, plant and equipment used for business purposes: change in the year

	Lands	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	**-**	**17,684**	**4,662**	**16,443**	**65,615**	**104,405**
A.1 Total net reduction value	-	5,242	4,049	13,935	13,022	36,248
A.2 Net opening balance	**-**	**12,442**	**614**	**2,508**	**52,593**	**68,157**
B. Increase:	**-**	**1,184**	**95**	**1,097**	**139,818**	**142,193**
B.1 Purchasing	-	-	95	1,097	139,587	140,779
- of which business combinations	-	-	-	23	41,276	41,299
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from investment properties	-	-	X	X	X	-
B.7 Other adjustment	-	1,184	-	-	230	1,414
C. Decrease:	**-**	**1,757**	**146**	984	**27,126**	**30,013**
C.1 Sales	-	-	-	-	10,471	10,471
- of which business combinations	-	-	-	-	6,205	6,205
C.2 Amorization	-	1,595	146	984	14,663	17,388
C.3 Impairment losses allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
C.4 Negative chages in fair value allocated to	-	-	-	-	367	367
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	367	367
C.5 Negative exchange difference	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) held for sale investment	-	-	X	X	X	-
b) non-current assets and group of assets held for sale	-	-	-	-	-	-
C.7 Other adjustment	-	162	-	-	1,625	1,787
D. Net closing balance	**-**	**11,869**	**563**	**2,620**	**165,285**	**180,337**
D.1 Total net write-down	-	6,198	2,798	14,920	22,564	46,479
D.2 Final gross balance	**-**	**18,067**	**3,361**	**17,540**	**187,849**	**226,816**
E. Carried at cost	-	-	-	-	-	-

Sub-item E (Carried at cost) shows a zero balance because, in accordance with Bank of Italy's Circular no. 262/2005, it is only for property, plant and equipment that are measured at fair value.

Items B.7 "Other increases" and C.7 "Other decreases" include the increases and decreases in the value of assets subject to IFRS 16, respectively.

The details of the annual changes in property, plant and equipment used for business purposes relating to assets acquired through finance leases are reported below:

	Lands	Buildings	Furniture	Electronic System	Others	Total
A. Gross opening balance		**17,684**			**2,613**	**20,297**
A.1 Total net reduction value		5,242			1,197	6,439
A.2 Opening net balance		**12,442**			**1,416**	**13,858**
B. Increase:		**1,184**			**836**	**2,020**
B.1 Purchasing					836	836
- of which business combinations						
B.2 Capitalised expenditure on improvements						
B.3 Write-backs						
B.4 Increases in fair value						
a) in equity						
b) through profit & loss						
B.5 Positive exchange differences						
B.6 Transfer from properties held for investment						
B.7 Other adjustment		1,184				1,184
C. Decreases:		**1,757**			**1,933**	**3,690**
C.1 Disposal						
- of which business combinations						
C.2 Depreciation		1,595			1,261	2,857
C.3 Impairment losses						
a) in equity						
b) through profit & loss						
C.4 Negative chages in fair value						
a) net equity						
b) through profit & loss						
C.5 Negative exchange difference						
C.6 Transfer to::						
a) Property, plant and equipment held for investment						
b) non-current assets and disposal groups classified as held for sale						
C.7 Other adjustment		162			671	833
D. Net final balance		**11,869**			**319**	**12,188**
D.1 Total net reduction in value		6,198			2,459	8,657
D.2 Gross closing balance		**18,067**			**2,778**	**20,844**
E. Carried at cost		1,492			1,339	2,831

The details of the annual changes in property, plant and equipment used for business purposes relating to assets acquired for operating leases are reported below:

	Lands	Buildings	Furniture	Electronic System	Others	Total
A. Gross opening balance					**53,825**	**53,825**
A.1 Total net reduction value					3,270	3,270
A.2 Opening net balance					**50,555**	**50,555**
B. Increase:					**138,475**	**138,475**
B.1 Purchasing					138,360	138,360
- of which business combinations						
B.2 Capitalised expenditure on improvements						
B.3 Write-backs						
B.4 Increases in fair value						
a) in equity						
b) through profit & loss						
B.5 Positive exchange differences						
B.6 Transfer from properties held for investment						
B.7 Other adjustment					115	115
C. Decreases:					**24,134**	**24,134**
C.1 Disposal					9,863	9,863
- of which business combinations						
C.2 Depreciation					13,300	13,300
C.3 Impairment losses						
a) in equity						
b) through profit & loss					367	367
C.4 Negative chages in fair value						
a) net equity						
b) through profit & loss						
C.5 Negative exchange difference						
C.6 Transfer to::						
a) Property, plant and equipment held for investment						
b) non-current assets and disposal groups classified as held for sale						
C.7 Other adjustment					604	604
D. Net final balance					**164,896**	**164,896**
D.1 Total net reduction in value					20,394	20,394
D.2 Gross closing balance					**184,941**	**184,941**
E. Carried at cost						

9.7 Property, plant and equipment held for investment: change in the year

The Group does not have any property, plant or equipment held for investment.

9.8 Inventories of property, plant and equipment covered by IAS 2: change in the year

The Group does not have any property, plant and equipment obtained through the enforcement of the guarantees received or other inventories of property, plant and equipment.

9.9 Commitments to purchase property, plant and equipment

The Group does not have any commitments to purchase property, plant and equipment.

Section 10 – Intangible assets – Item 100

10.1 Intangible assets: breakdown by type

Activities/Values	Total 31/12/2024		Total 31/12/2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**-**	**X**	**-**
A.1.1 of Group	X	-	X	-
A.1.2 attributable minorities	X	-	X	-
A.2 Other intangible asset	**115,476**	**-**	**137,325**	**-**
of which: software	17,546	-	25,011	-
A.2.1 Assets valued at cost:	**115,476**	**-**	**137,325**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	115,476	-	137,325	-
A.2.2 Assets valued at fair value:	**-**	**-**	**-**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**115,476**	**-**	**137,325**	**-**

The item "intangible assets", in addition to the software investments shown, contains the rights originating from Stellantis Financial Services Italia.

10.2 Intangible assets: change in the year

	Goodwill	Other intangible assets: internally generated		Other intangible assets: others		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	**-**	**-**	**-**	**186,937**	**-**	**186,937**
A.1 Reductions of total net value	-	-	-	49,612	-	49,612
A.2 Net opening balance	-	-	-	137,325	-	137,325
B. Increases	**-**	**-**	**-**	**6,251**	**-**	**6,251**
B.1 Purchases	-	-	-	6,251	-	6,251
- of which business combinations	-	-	-	-	-	-
B.2 Increments of internal intagible assets	X	-	-	-	-	-
B.3 Value recoveries	X	-	-	-	-	-
B.4 Positive variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other variations	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**28,100**	**-**	**28,100**
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Value adjustment	-	-	-	28,100	-	28,100
- Amortisations	X	-	-	28,100	-	28,100
- Depreciations	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ P&L statement	-	-	-	-	-	-
C.3 Negative variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
C.4 Transfer to non-current assets	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Other variations	-	-	-	-	-	-
D. Net final surplus	**-**	**-**	**-**	**115,476**	**-**	**115,476**
D.1 Adjustment of net total values	-	-	-	38,837	-	38,837
E. Gross final surplus	**-**	**-**	**-**	**154,312**	**-**	**154,312**
F. Evaluation to cost	-	-	-	-	-	-

Key:
DEF: finite life
INDEF: indefinite life

Sub-item F (Carried at cost) shows a zero balance because, in accordance with Bank of Italy's Circular no. 262/2005, it is only for intangible assets that are measured at fair value.

10.3 Other information

Stellantis Financial Services Italia carried out the impairment test on the rights on the business, finding no need to change the amortisation period and the value recorded in the balance sheet of this type of intangible asset.

Section 11 – Tax assets and liabilities – Assets item 110 and Liabilities and shareholders' equity item 60

11.1 Deferred tax assets: breakdown

	31/12/2024	31/12/2023
To profit and loss statement	**108.626**	**125,837**
of which temporary differences:	32,169	32,305
- Tax losses and ACE	5,497	4,828
- Adjustments on credits deductible in future financial years	1,968	2,087
- Provisions for future charges	20,987	22,429
- Intangible assets	131	141
- Material assets	21	-
- Other	3,565	2,819
of which convertible temporary differences pursuant to Law 214/2011:	76,457	93,532
- Tax losses	35,164	16,605
- Rettifiche su crediti deducibili in futuri esercizi	41,293	76,927
To equity	**275**	**294**
- Financial assets measured at fair value	37	66
- Actuarial profit (loss)	238	228
Total	**108,901**	**126,131**

With regard to the recoverability of deferred tax assets, in consideration of their nature and future development prospects in terms of the ability to generate taxable income, there are no particular aspects that could impact their recoverability over a foreseeable time period of one year.

11.2 Deferred tax liabilities: breakdown

	31/12/2024	31/12/2023
To profit and loss statement	**1.761**	**1,212**
of which temporary differences:	1,761	1,212
- Other	1,761	1,212
To equity	**7**	**6**
- Actuarial profit (loss)	7	6
Totale	**1,768**	**1,218**

11.3 Changes in deferred tax assets (through the income statement)

	Totale 31/12/2024	Totale 31/12/2023
1. Opening balance	**125,837**	**140,901**
2. Increase	**47,473**	**35,026**
2.1 Deferred tax assets of the year	47,430	35,026
a) related to previous fiscal year	2,073	940
b) due to changes in accountable parameters	-	-
c) write-backs	-	-
d) others	45,357	34,086
2.2 New levies or increases in fiscal rates	-	-
2.3 Other increases	43	-
3. Decreases	**64,683**	**50,090**
3.1 Anticipated levies cancelled in fiscal year	47,320	50,090
a) reversals of temporary differences	47,320	49,738
b) write-downs of non-recoverable items	-	-
c) changes in accountable parameters	-	-
d) others	-	352
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	17,363	-
a) conversion into tax credit under L. 214/2011	17,363	-
b) others	-	-
4. Closing balance	**108,627**	**125,837**

The increase in deferred tax assets is mainly due to the recognition of tax losses (that can be monetised for Euro 35,164 thousand and that cannot be monetised for Euro 592), and for the remainder increases relating to other provisions.

Reversals of deferred tax assets are mainly attributable to the deductibility related to Italian Decree Law no. 214/2011 for Euro 35,634 thousand and for the remaining part to decreases inherent to other provisions.

11.4 Changes in deferred tax assets as per Italian Law no. 214/2011

	Total 31/12/2024	Total 31/12/2023
1. Opening balance	**93,532**	**114,657**
2. Increases	**35,922**	**16,605**
3. Decreases	**52,997**	**37,730**
3.1 Reversals of temporary differences	35,634	37,730
3.2 Transformation into tax credits	17,363	-
a) Due to loss positions arisen from P&L	-	-
b) Due to tax losses	17,363	-
3.3 Other decreases	-	-
4. Closing balance	**76,457**	**93,532**

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

The increase relates to the recognition of deferred tax assets on monetisable losses referred to in point 10.3.

11.5 Changes in deferred tax liabilities (through the income statement)

	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**1,212**	**424**
2. Increase	**713**	**894**
2.1 Defered levies observed in the fiscal year	**713**	**894**
a) related to precedent fiscal year	-	-
b) due to change in accountability parameters	-	-
c) others	713	894
2.2 New levies or increments of fiscal rates	**-**	**-**
2.3 Other increases	**-**	**-**
3. Decreases	**164**	**105**
3.1 Defered levies cancelled in the fiscal year	164	105
a) reversals of temporary differences	164	84
b) due to changes in accountable parameters	-	-
c) others	-	21
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
4. Final amount	**1,761**	**1,212**

11.6 Changes in deferred tax assets (through shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1. Opening balance	**294**	**699**
2. Increases	**10**	**8**
2.1 Deferred tax assets during the year	10	8
b) related to previous fiscal years	-	-
b) due to changes in accountable parameters	-	-
c) others	10	8
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**29**	**414**
3.1 Deferred tax assets derecognised during the year	29	414
a) reversals of temporary differences	-	-
b) devaluation for appeared irrecoverability	-	-
c) due to changes in accountable parameters	-	-
d) others	29	414
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
4. Closing balance	**274**	**294**

11.7 Changes in deferred tax liabilities (through shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**6**	**8**
2. Increases	**1**	**-**
2.1 Defered levies observed in fiscal year	1	-
a) related to previous fiscal year	-	-
b) due to changes in accountable parameters	-	-
c) others	1	-
2.2 New levies or increases in fiscal rates	-	-
2.3 Other increases	-	-
3. Decreases	-	1
3.1 Anticipated levies cancelled in fiscal year	**-**	**1**
a) reversals of temporary differences	-	-
b) due to changes in accountable parameters	-	-
c) others	-	1
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
4. Final amount	**7**	**6**

11.8 Other information

Current tax assets amount to Euro 71,308 thousand (Euro 55,838 thousand in 2023) and consist mainly of receivables for transformation from deferred tax assets as well as residual payments on account in previous years.

Current tax liabilities amount to Euro 41,405 (Euro 36,376 thousand in 2023) and consist of the estimated taxes for the current year. For further details, please refer to the Income Statement (Part C - Section 21 - Income taxes for the year on continuing operations).

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

The Group does not have any non-current assets held for sale and discontinued operations and associated liabilities.

Section 13 – Other assets – Item 130

13.1 Other assets: breakdown

	31/12/2024	31/12/2023
Other Assets in transit	**80,539**	**113,434**
Insurance	**81,962**	**49,590**
Receivables deriving from the supply of non-financial goods and services	**67,725**	**98,044**
Operation leases	7,913	12,898
Società del Gruppo	-	-
Due from dealers	5,820	9,875
Advances to suppliers and different customers	53,992	75,271
Tax accounts	**133,656**	**85,610**
VAT	105,552	71,051
Stamp duties	18,591	10,041
Other tax receivables	9,514	4,518
Leasehold improvements	**920**	**1,297**
Accruals and prepaid expenses	**56,549**	**35,530**
Operating lease	10,380	3,690
Others	46,169	31,840
Other assets	**36,661**	**18,801**
Frauds	-	-
Security deposits	136	181
Grant	21,683	12,109
Pending costs	6,262	3,848
Warehouse inventories	-	-
Others	8,580	2,664
Total	**458,013**	**402,304**

Disclosure on the breakdown of the items is provided below:

- "Items being processed" include items being processed relating to instalment collection.
- "Insurance companies" mainly relates to commission receivables linked to insurance brokerage activities.
- "Affiliates" refers to amounts due from dealers and agents due to the issue of invoices receivable at the turn of the year.
- "Suppliers and other customers" mainly includes items pertaining to service activities with companies belonging to the Banco Santander Group, which are not part of the Italian legal Group, such as Hyundai Capital Bank Europe GmbH - Italian branch, and with minority shareholders.
- "VAT" mainly includes the items originating from the Group VAT and is significantly influenced by the development carried out by the renting companies, which are increasing the purchases of cars.
- "Accrued income and prepaid expenses" mainly includes prepaid commission and the like on instalment products and finance leases and that cannot be traced back to a specific item.
- "Contributions" mainly includes rate contributions from existing agreements with industrial partners.

LIABILITIES AND SHAREHOLDERS' EQUITY

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

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

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023			
	B V	Fair Value			B V	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Deposits from central banks	**-**	X	X	X	**1,619,368**	X	X	X
2. Deposits from banks	**7,686,598**	X	X	X	**7,131,577**	X	X	X
2.1 Current accounts and demand deposits	29,092	X	X	X	34,846	X	X	X
2.2 Time deposits	-	X	X	X	-	X	X	X
2.3 Loans	7,647,885	X	X	X	7,004,825	X	X	X
2.3.1 Repos	-	X	X	X	-	X	X	X
2.3.2 Other	7,647,885	X	X	X	7,004,825	X	X	X
2.4 Liabilities relating to commitments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other liabilities	9,622	X	X	X	91,907	X	X	X
Total	**7,686,598**	**-**	**-**	**7,687,627**	**8,750,946**	**-**	**1,621,561**	**7,146,119**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item "Deposits with central banks" included TLTRO III loans, which were fully repaid in 2024.

"Deposits from banks" consists of:

- mainly loan transactions with the Spanish Parent Company;
- other payables, relating to cash collateral connected to derivative positions.

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

Type of transaction/Value	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	880,121	X	X	X	820,447	X	X	X
2. Time deposits	770,192	X	X	X	683,127	X	X	X
3. Loans	45,523	X	X	X	68,175	X	X	X
3.1 Reverse repos	-	X	X	X	-	X	X	X
3.2 Other	45,523	X	X	X	68,175	X	X	X
4. Liabilities relating to commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease payables	12,709	X	X	X	13,886	X	X	X
6. Other liabilities	7,665	X	X	X	8,709	X	X	X
Total	**1,716,209**	**-**	**-**	**1,674,676**	**1,594,344**	**-**	**-**	**1,552,370**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item "loans - others" includes the funding granted by Stellantis Financial Services Nederlands to Stellantis Financial Services Italia.

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

Type of securities/Values	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Debts securities including bonds								
1. bonds	6,179,992	-	2,643,909	3,547,559	3,218,110	-	1,881,378	1,357,869
1.1 structured	-	-	-	-	-	-	-	-
1,2 other	6,179,992	-	2,643,909	3,547,559	3,218,110	-	1,881,378	1,357,869
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	**6,179,992**	**-**	**2,643,909**	**3,547,559**	**3,218,110**	**-**	**1,881,378**	**1,357,869**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item "Debt securities issued" includes:

- non-preferred senior bonds amounting to Euro 769,918 thousand (Euro 577,257 thousand in 2023), fully subscribed by the Parent Company Santander Consumer Finance;
- the securities of the securitisation transactions sold on the market for the remaining part.

1.4 Details of subordinated securities/debts

Type	31/12/2024	31/12/2023
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2029	10,000	10,000
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2031	55,000	55,000
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2033	80,000	80,000
Subordinate debt Tier II to Stellantis Finance Nederlands B.V. - maturing to 2027		22,500
Subordinate debt Tier II to Stellantis Finance Service Europe - maturing to 2029	11,000	11,000
Subordinate debt Tier II to Stellantis Finance Nederlands B.V. - maturing to 2033	45,000	45,000
Total	**201,000**	**223,500**

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

1.5 Details of structured debts

The Group has no structured debts.

1.6 Lease payables

The composition of financial outflows for leases (IFRS 16 paragraph 53) and the analysis of maturity of the relative liabilities (IFRS 16 paragraph 58) is given below.

	Capital	Interest	Variable payments	Total cash flow leasing
	a	b	c	d=a+b+c
cash outflows	**2,066**	**315**	**448**	**2,818**

	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
Lease payables	**-**	**129**	**-**	**4**	**285**	**275**	**555**	**4,392**	**7,067**	**-**

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by type

Operation type / Values	Total 31/12/2024					Total 31/12/2023				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Financial liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments										
1. Financial derivatives	-	-	74,806	-	X	-	-	66,802	-	-
1.1 Trading	X	-	74,806	-	X	X	-	66,802	-	X
1.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credits derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**-**	**74,806**	**-**	**X**	**X**	**-**	**66,802**	**-**	**X**
Total (A+B)	**X**	**-**	**74,806**	**-**	**X**	**X**	**-**	**66,802**	**-**	**X**

Key:
NV = Nominal or notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair Value* = Fair value calculated by excluding changes due to issuer's creditworthiness variation from the issuance date

The financial derivatives item includes the negative fair value of the derivatives entered into as part of the proprietary securitisation transactions, without cancellation.

2.2 Details of "Financial liabilities held for trading": subordinated liabilities

The Group does not have any subordinated financial liabilities held for trading.

2.3 Details of "Financial liabilities held for trading": structured debts

The Group does not have any structured financial liabilities held for trading.

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

The Group does not have any financial liabilities measured at fair value.

Section 4 – Hedging derivatives – Item 40

4.1 Hedging derivatives: breakdown by type of hedge and levels

	NV	Fair value	31/12/2024		NV	Fair value	31/12/2023	
	31/12/2024	L1	L2	L3	31/12/2023	L1	L2	L3
A) Financial derivatives	**3,296,536**	**-**	**33,438**	**-**	**1,487,370**	**-**	**16,166**	**-**
1) Fair value	3,296,536	-	33,438	-	1,487,370	-	16,166	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**3,296,536**	**-**	**33,438**	**-**	**1,487,370**	**-**	**16,166**	**-**

Key:
NV = Notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The amount shown in the above table refers to the negative fair value of interest rate swaps derivative contracts entered into by the Bank mainly with the Spanish Parent Company Banco Santander. The derivatives portfolio consists of contracts taken out to hedge changes in the fair value of fixed-rate underlying assets. With regard to hedging derivatives receivable, please refer to the Notes to the financial statements "Assets, Section 5 Hedging derivatives, item 50".

With regard to the verification of the effectiveness of the hedge with respect to the underlying element, please refer to the Notes to the consolidated financial statements - Part E - Section 2 - Market risks.

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

Transactions/Type of hedge	Fair Value							Cash flow		Foreign invest.
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equities and equity index	currencies and gold	credit	commodities	others				
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets valued to amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	33,438	X	-	X
4. Other operations	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**33,438**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

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

The Group does not have any value adjustment of financial liabilities subject to macro hedge.

Section 6 – Tax liabilities – Item 60

Please refer to the Notes to the consolidated financial statements - Part B - Section 11 of the Assets.

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

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

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

	31/12/2024	31/12/2023
Assets in transit	**90,823**	**95,156**
Insurance	**62,646**	**68,876**
Payables deriving from the supply of non-financial goods and services	**271,115**	**445,049**
Operating lease	206	129
Factoring	-	49,496
Società del Gruppo	11,402	1
Due from dealers	23,938	28,035
Advances to suppliers	235,568	367,389
Tax accounts	**22,660**	**17,389**
Payables relating to customers	**16,490**	**15,916**
Payables relating to personnel and social security institutions	**18,487**	**26,741**
Accruals and prepaid expenses	**77,906**	**74,399**
Operating lease	1,293	923
Other	76,613	73,476
Other liabilities	**13,565**	**12,122**
Security deposits	1,442	2,455
Revenues pending allocation	2,677	3,790
Others	9,446	6,142
Total	**573,691**	**755,912**

Disclosure on the breakdown of the items is provided below:

- "Items being processed" mainly includes items being processed relating to instalment collection and the settlement of loans;
- "Insurance" mainly includes premiums to be paid to insurance companies and adjustments on revenues to be reimbursed to insurance companies, relating to the premium not availed of by the customer, in the event of early termination of the insurance coverage;
- "Factoring" included items relating to factoring with industrial partners;
- "Affiliates" mainly consists of the commission payable to dealers and agents and the provision for agents' leaving indemnities;
- "Suppliers" includes payables due to suppliers of goods and services, as well as the exposure for the transfer without recourse of the finstock. For more details on the second aspect, please refer to the consolidated report on operations;
- "Payables to customers" include temporary debt balances with customers for early repayments and the temporary debt balances for instalment payments received in advance of the contractual expiry date;

- "Payables to employees and social security institutions" includes, in addition to the ordinary items, the obligations undertaken in compliance with the provisions of the leaving incentives plans;
- "Accrued liabilities and deferred income" mainly includes prepayments on commission linked to accessory services offered in the past to customers in combination with loans not attributable to a specific item.

Section 9 – Provision for employee severance pay – Item 90

9.1 Provision for employee severance pay: change in the year

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	**5,782**	**3,238**
B. Increases	**1,271**	**4,485**
B.1 Provision of the year	295	278
B.2 Other increases	976	4,207
- of which business aggregation operations	-	3,953
C. Reductions	**1,662**	**1,941**
C.1 Liquidations performed	1,641	668
C.2 C.2 Other reductions	20	1,273
- of which business aggregation operations	-	944
D. Closing balance	**5,391**	**5,782**
Total	**5,391**	**5,782**

9.2 Other information

There is no further information to be provided.

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 31/12/2024	Total 31/12/2023
1. Funds for credit risk related to financial obligations and warranties	4	-
2. Funds on other obligations and warranties release	-	-
3. Funds of business retirement	1,122	1,552
4. Other funds for risks and obligations	16,684	20,806
4.1 legal and fiscal controversies	1,837	3,362
4.2 obligations for employees	-	2,402
4.3 others	14,847	15,041
Total	**17,810**	**22,357**

10.2 Provisions for risks and charges: change in the year

	Pensions and post retirement benefit obligations	Retirement funds	Other risk and obligation funds	Total
A. Initial existence	**-**	**1,552**	**20,806**	**22,357**
B. Increases	**-**	**38**	**1,221**	**1,259**
B.1 Reserve of the fiscal year	-	-	771	771
B.2 Variation due to pass of time	-	-	-	-
B.3 Variation due to modifies of discount rate	-	38	-	38
B.4 Other variations	-	-	450	450
- of which business aggregation operations	-	-	-	-
C. Decreases	**-**	**468**	**5,343**	**5,811**
C.1 Use in the exercise	-	468	2,936	3,405
C.2 Variations due to modifies of discount rate	-	-	-	-
C.3 Other variations	-	-	2,406	2,406
- of which business aggregation operations	-	-	-	-
D. Final surplus	**-**	**1,122**	**16,684**	**17,805**

10.3 Provisions for credit risk on commitments and financial guarantees given

	Funds for credit risk related to financial obligation and warranties release				
	First stage	Second stage	Third stage	Purchased or originated impaired	Total
Obligation to distribute funds	4	1	-	-	4
Total	**4**	**1**	**-**	**-**	**4**

10.4 Provisions on other commitments and other guarantees given

The Group does not have provisions on other commitments and other guarantees given.

10.5 Defined-benefit pension plans

Provisions for pensions and similar obligations amount to Euro 1,122 thousand and refer:

- to the special indemnity provision for the loyalty bonus, on the basis of which the employees transferred with the sale of the business unit of former FCA Bank S.p.A., whereby the employee who ceases activities and has accrued a minimum length of service predefined by the plan, are paid an amount equivalent to the loyalty bonus accrued pro rata as at 2 April 2023;
- to the provision for length of service bonuses, on the basis of which, for employees transferred with the sale of the business unit of former FCA Bank S.p.A., the disbursement of a double monthly salary is envisaged at the time of the completion of the first working anniversary of 25, 30, 35 and 40 years of work.

10.6 Provisions for risks and charges – other provisions

The Other provisions are divided into:

- "Legal disputes": the provision has been established essentially to deal with disbursement forecasts on lawsuits brought with customers; allocations were made on the basis of external legal opinions over a forecast period of four years;
- "Payroll costs": the provision consisted of early retirement incentives of an uncertain nature in 2023;
- "Other" refers to allocations to cover:
    - charges related to the post-Lexitor application on the salary assignment product for Euro 7,023 thousand; for more details, please refer to the consolidated report on operations;

- charges related to claims on the salary assignment product for Euro 1,200 thousand; for more details, please refer to the consolidated report on operations;
- charges for future management related to the operating lease for Euro 2,731 thousand, over a foreseeable period of time linked to the life of the underlying contracts;
- other presumed reimbursements to insurance companies from the Opel portfolio for Euro 1,395 thousand;
- other presumed reimbursements to customers and to the sales network for Euro 3,174 thousand, over a forecast period of three years;
- restoration costs relating to assets underlying the application of IFRS 16 for Euro 66 thousand, over a forecast period of one year.

Section 11 - Insurance liabilities - Item 110

The Group has no insurance companies.

Section 12 – Redeemable shares – Item 130

The Group does not have any share redemption plans.

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

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

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

There are no treasury shares in the portfolio.

For further information, please refer to point 13.3 below.

13.2 Share capital – Number of shares of the Parent Company: change in the year

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

13.3 Share capital: other information

The share capital amounts to Euro 573,000 thousand, and is made up of ordinary shares with a par value of Euro 1,000 each.

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

13.4 Profit reserves: other information

The profit reserves are mainly composed of:

- legal reserve for Euro 36,772 thousand (Euro 34,629 thousand in 2023);
- extraordinary reserve for Euro 318,261 thousand (Euro 227,540 thousand in 2023);
- capital reserve for Euro 39,913 thousand (Euro 39,913 thousand in 2023);
- consolidation reserve for Euro 106,075 thousand (Euro 75,669 thousand in 2023).

13.5 Equity instruments: breakdown and change in the year

The Group does not have any equity instruments.

13.6 Other information

There is no other information.

Section 14 – Minority interests – Item 190

14.1 Details of item 190 "Minority interests"

Company name	Total	
	31/12/2024	31/12/2023
Investments in consolidated companies with significant minority interests		
1. Stellantis Financial Services Italia S.p.A.	445,915	401,077
2. Stellantis Renting Italia S.p.A.	4,106	9,533
3. TIMFin S.p.A.	30,876	30,348
4. Drive S.r.l	602	1.689
Total	**481.498**	**442.648**

14.2 Equity instruments: breakdown and change in the year

The Group does not have any equity instruments attributable to minority interests.

OTHER INFORMATION

1. Commitments and financial guarantees given

	Nominal value on financial release obligations and guarantees				Total	Total
	First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023
1. Commitment to supply funds	**189,062**	**1**	**3**	**-**	**189,066**	**100,746**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	200	-	-	-	200	200
d) Other financial companies	353	-	-	-	353	-
e) Non-financial companies	186,469	-	-	-	186,469	98,617
f) Families	2,039	1	3	-	2,043	1,929
2. Financial guarantees issued	**-**	**-**	**-**	**-**	**-**	**-**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	-	-	-	-	-	-
e) Non-financial companies	-	-	-	-	-	-
f) Families	-	-	-	-	-	-

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

2. Other commitments and other guarantees given

	Nominal value	
	Total	Total
	31/12/2024	31/12/2023
Other guarantees issued		
of which: impaired	-	-
a) Central banks	-	-
b) Public Administration	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Other commitment		
of which: impaired	71	230
a) Central banks	-	-
b) Public Administration	861	861
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	177,505	97,511
f) Households	-	-

3. Assets used to guarantee own liabilities and commitments

Portfolios	Amounts 31/12/2024	Amounts 31/12/2023
1. Financial assets designated at fair value through profit or loss	-	-
2. Financial assets at fair value through other comprehensive income	-	33,660
3. Financial assets valued to amortised cost	5,316,513	4,881,944
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

The assets used to guarantee own liabilities include:

- government securities;
- bank deposits;
- the loan pool (ABACO);
- part of the portfolio of loans subject to the securitisation transaction, referred to in the Notes to the financial statements - Part E.

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

The Group does not have any investments relating to unit-linked and index-linked insurance policies.

5. Administration and brokerage on behalf of third parties

The Group does not carry out brokerage on behalf of third parties.

6. Financial assets subject to offsetting in the financial statements, or subject to framework netting or similar agreements

Instrument type		Gross amount of financial assets (a)	Amount of financial liabilities compensated in balance sheet (b)	Net amount of financial assets reported in balance sheet (c=a-b)	Related amounts not recognised in Balance Sheet		Net amounts (f=c-d-e)	Net amounts
					Financial instruments (d)	Cash deposit received in guarantee (e)	31/12/2024	31/12/2023
1. Derivatives		39,516	-	39,516	-	7,686	31,831	(6,202)
2. Repo's		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**31/12/2024**	**39,516**	**-**	**39,516**	**-**	**7,686**	**31,831**	**X**
Total	**31/12/2023**	**104,890**	**-**	**104,890**	**-**	**111,092**	**X**	**(6,202)**

As required by IFRS 7, it is hereby disclosed that the derivative contracts in place as at the balance sheet date are derivative instruments mainly with Banco Santander with a positive fair value, subject to an ISDA-based framework agreement and are thus subject to net settlement arrangements. There are no arrangements in place for the offsetting of derivatives with negative balance of the same type.

Column e) "Cash collateral received" shows the effect of the potential offsetting of exposures for which cash collateral has been provided.

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

Instrument type		Gross amount of the financial liabilities (a)	Amount of the financial assets compensed in BS (b)	Net amount of the financial liabilities reportes in BS (c=a-b)	Related amounts not recognised in Balance Sheet		Net amount (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit placed to warrant (e)	31/12/2024	31/12/2023
1. Derivatives		42,858	-	42,858	-	8,336	34,523	(2,185)
2. Repos		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Other operations		-	-	-	-	-	-	-
Total	**31/12/2024**	**42,858**	**-**	**42,858**	**-**	**8,336**	**34,523**	**X**
Total	**31/12/2023**	**36,957**	**-**	**36,957**	**-**	**39,142**	**X**	**(2,185)**

As required by IFRS 7, it is hereby disclosed that the derivatives in place as at the balance sheet date are derivative instruments mainly with Banco Santander with a negative fair value, subject to an ISDA-based framework agreement and are thus subject to net settlement arrangements. There are no arrangements in place for the offsetting of derivatives with positive balance of the same type.

Column e) "Cash collateral received" shows the effect of the potential offsetting of exposures for which cash collateral has been provided.

8. Securities lending transactions

The Group does not have any securities lending transactions.

9. Information on joint arrangements

The Group does not have any joint arrangements.

Part C – Information on the consolidated income statement

Section 1 – Interest – Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other operations	Total 31/12/2024	Total 31/12/2023
1. Financial assets valued to fv with impact to Profit and Loss:	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated to fv	-	-	-	-	-
1.3 Other financial assets mandatorly valued to fair value	-	-	-	-	-
2. Financial assets valued to fv with impact on overall profitability	4,536	52,455	X	56,991	7,279
3. Financial assets valued to amortize cost:	10,942	791,094	-	802,036	583,527
3.1 Credits to banks	-	2,803	X	2,803	1,538
3.2 Credits to clients	10,942	788,291	X	799,233	581,989
4. Hedging derivatives	X	X	64,413	64,413	93,497
5. Other assets	X	X	38,310	38,310	26,551
6. Financial liabilities	X	X	X	-	-
Total	**15,478**	**843,549**	**102,723**	**961,750**	**710,854**
of which: income interests on deteriorated financial assets	-	-	-	-	-
of which: interest income on financial lease	X	59,387	X	59,387	24,078

Interest income deriving from the item "Other assets" comprises income originating from Cash and cash and cash equivalents.

1.2 Interest and similar income: other information

1.2.1 Interest income on foreign currency financial assets

The Group does not have any financial assets in foreign currency.

1.3 Interest and similar expense: breakdown

Items/Technical forms	Debts	Securities	Other operations	Total 31/12/2024	Total 31/12/2023
1. Financial liabilities valued at amortized cost	391,271	204,393	X	595,664	373,067
1.1 Debts to central banks	35,922	X	X	35,922	90,046
1.2 Debts to banks	291,992	X	X	291,992	171,359
1.3 Debts to customers	63,357	X	X	63,357	43,658
1.4 Securities in circulation	X	204,393	X	204,393	68,004
2. Financial trading liabilities	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and funds	X	X	1	1	4
5. Hedging derivatives	X	X	305	305	2,094
6. Financial assets	X	X	X	119	1,080
Total	**391,271**	**204,393**	**306**	**596,089**	**376,244**
of which: interest expense on lease payables	566	X	X	566	397

Interest expense deriving from the item:

- "due to central banks" mainly consists of TLTRO III loans;
- "deposits from banks" and "securities issued" mainly consists of funding provided by Santander Group companies, as well as market securitisation transactions;
- "payables due to customers" mainly consists of the cost of funding through deposit accounts;
- "financial assets" consists of charges deriving from government securities.

1.4 Interest expenses and similar charges: other information

1.4.1 Interest expenses on foreign currency financial liabilities

The Group does not have any financial liabilities in foreign currency.

1.5 Differentials on hedging operations

Items	Totale 31/12/2024	Totale 31/12/2023
A. Positive differentials related to hedging operations:	64,413	93,497
B. Negative differentials related to hedging operations:	(305)	(2,094)
C. Balance (A-B)	**64,108**	**91,403**

Section 2 – Fees and commission – Items 40 and 50

2.1 Fee and commission income: breakdown

Type of service/Values	Total 31/12/2024	Total 31/12/2023
	-	-
1. Securities placement	-	-
1.1 Under firm assumption and/or on the basis of an irrevocable commitment	-	-
1.2 Without firm commitment	-	-
2. Receipt and transmission of orders and execution for customers	-	-
2.1 Receipt and transmission of orders for one or more financial instruments	-	-
2.2 Execution of orders on behalf of customers	-	-
3. Other fees connected with activities related to financial instruments	-	-
of which: trading on own account	-	-
of which: management of individual portfolios	-	-
b) Corporate Finance	-	-
1. Merger and Acquisition Advice	-	-
2. Treasury services	-	-
3. Other fees associated with corporate finance services	-	-
c) Investment advisory activities	-	-
d) Clearing and settlement	-	-
e) Collective Portfolio Management	-	-
f) Custody and administration	-	-
1. Custodian bank	-	-
2. Other fees related to custody and administration	-	-
g) Central administrative services for collective portfolio management	-	-
h) Trust business	-	-
i) Payment services	34,917	27,957
1. Current accounts	-	-
2. Credit cards	63	185
3. Debit and other payment cards	-	-
4. Wire transfers and other payment orders	-	-
5. Other fees related to payment services	34,854	27,772
j) Distribution of third party services	204,378	138,013
1. Collective portfolio management	-	-
2. Insurance products	177,947	106,933
3. Other products	26,431	31,080
of which: individual portfolio management	-	-
k) Structured Finance	-	-
l) Servicing for securitization transactions	-	-
m) Commitments to disburse funds	-	-
n) Financial guarantees issued	-	-
of which: credit derivatives	-	-
o) Financing operations	598	656
of which: for factoring transactions	-	-
p) Currency trading	-	-
q) Goods	-	-
r) Other commission income	3,324	3,098
of which: for management activities of multilateral trading systems	-	-
of which: for management activities of organized trading systems	-	-
Total	**243,216**	**169,724**

Item "Distribution of third party services - Other products" mainly includes commission income for the placement of additional service packages offered under subscription to financed customers.

The item "Other commission receivable" mainly contains the income recognised for compensation due to late payment.

2.2 Fee and commission expense: breakdown

Services/Amounts typology	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	-	-
of which: trading of financial instruments	-	-
of which: placement of financial instruments	-	-
of which: management of individual portfolios	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	152	-
c) Management of collective portfolios	-	-
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	68	75
e) Payment and collection services	6,913	6,169
of which: credit cards, debit cards and other payment cards	428	582
f) Servicing activities for securitization transactions	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	107	48
of which: credit derivatives	-	-
i) Off-site offering of financial instruments, products and services	103,568	58,892
j) Currency trading	-	-
k) Other commission expenses	9,293	14,451
Total	**120,102**	**79,634**

The item "Off-site distribution of financial instruments, products and services" mainly includes commission paid for the placement of insurance products and the contributions and indemnities accrued by the network of agents.

Section 3 – Dividends and similar revenues – Item 70

3.1 Dividends and similar revenues: breakdown

The Group has no dividends.

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

4.1 Net trading income (loss): breakdown

Transactions / Income	Capital gain (A)	Income from negotiation (B)	Capital loss (C)	Loss from negotiation (D)	Net result [(A+B) - (C+D)]
1. Financial trading assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equity stocks	-	-	-	-	-
1.3 O.I.C.R. shares	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**-**
4. Derivatives	**70,053**	**28,151**	**(70,622)**	**(28,769)**	**(1,186)**
4.1 Financial derivatives:	70,053	28,151	(70,622)	(28,769)	(1,186)
- On debt securities and interest rates	70,053	28,151	(70,622)	(28,769)	(1,186)
- On capital stocks and stock indexes	-	-	-	-	-
- On currency and gold	X	X	X	X	-
- Others	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to fv option	X	X	X	X	-
Total	**70,053**	**28,151**	**(70,622)**	**(28,769)**	**(1,186)**

The item includes the net result arising from financial derivatives held to hedge interest rate risk associated with securitisation transactions that do not meet the requirements for classification as hedging derivatives.

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

5.1 Net gains (losses) on hedge accounting: breakdown

P&L item/Values	Total 31/12/2024	Total 31/12/2023
A. Income from:		
A.1 Fair value hedging instruments	1,002	-
A.2 Financial assets hedged (fair value)	54,791	136,522
A.3 Financial liabilities hedged (fair value)	-	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income in hedge accounting (A)	**55,793**	**136,522**
B. Charges on		
B.1 Fair value hedging instruments	(38,668)	(96,697)
B.2 Financial assets hedged (fair value)	(19,114)	(28,306)
B.3 Financial liabilities hedged (fair value)	-	-
B.4 Cash-flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedging activity (B)	**(57,781)**	**(125,003)**
C. C. Net hedging activity (A-B)	**(1,988)**	**11,519**
of which: net gains (losses) of hedge accounting on net positions	-	-

Section 6 – Gains (losses) on disposal or repurchase – Item 100

6.1 Gains (losses) on disposal or repurchase: breakdown

Items / Income	Total 31/12/2024			Total 31/12/2023		
	Gain	Losses	Net profit	Gain	Losses	Net profit
A. Financial assets						
1. Financial assets valued at amortised cost	14,568	-	14,568	6,319	-	6,319
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans and customers	14,568	-	14,568	6,319	-	6,319
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**14,568**	**-**	**14,568**	**6,319**	**-**	**6,319**
B. Financial liabilities valued at amortised cost	-	-	-	-	-	-
1. Deposits with banks	-	-	-	-	-	-
2. Deposits with customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

The item "Loans to customers" is represented by the balance of the transfer to third parties of without recourse NPL receivables in write-offs under management.

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

The Group does not have any financial assets or liabilities measured at fair value.

Section 8 – Net adjustments/recoveries for credit risk – Item 130

8.1 Net adjustments for credit risk associated with financial assets measured at amortised cost: breakdown

Transactions/Income	Adjustments (1)						Write - backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023
			Write-off	Others	Write-off	Others						
A. Credit to banks	-	-	-	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**(31,913)**	**(30,804)**	**(43,420)**	**(103,224)**	**-**	**-**	**24,609**	**9,550**	**48,709**	**-**	**(126,493)**	**(52,826)**
- Loans	(31,913)	(30,804)	(43,420)	(103,224)	-	-	24,609	9,550	48,709	-	(126,493)	(52,826)
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(31,913)**	**(30,804)**	**(43,420)**	**(103,224)**	**-**	**-**	**24,609**	**9,550**	**48,709**	**-**	**(126,493)**	**(52,826)**

For greater details on the changes, please refer to the Report on Operations - E1 - Economic performance and in the Notes to the financial statements - Part E - Information on risks and related hedging policies.

8.2 Net adjustments for credit risk associated with financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income	Adjustment (1)						Write - backs (2)				Total	Total	Total
	First stage	Second stage	Thirt stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023	31/12/2023
			Write-off	Other	Write-off	Other							
A. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	**0**
B. Financing	**(578)**	**(13)**	-	**(26)**	-	-	-	-	-	-	**(617)**	-	**0**
- To clients	(578)	(13)	0,00	- 26,00	0,00	0,00	-	-	-	-	(617)	-	0
- To banks	-	-	-	-	-	-	-	-	-	-	-	-	0
Total	**(578)**	**(13)**	**-**	**(26)**	**-**	**-**	**-**	**-**	**-**	**-**	**(617)**	**-**	**0**

Section 9 – Gains/losses on contractual changes without cancellations – Item 140

The Group does not have any profits/losses from contractual changes without cancellations.

Section 10 - Result of insurance services - Item 160

The Group has no insurance companies.

Section 11 - Balance of financial revenues and costs relating to insurance operations - Item 170

The Group has no insurance companies.

Section 12 – Administrative costs – Item 190

12.1 Payroll costs: breakdown

Type of expense/Amounts	Total 31/12/2024	Total 31/12/2023
1) Dependent staffs	**(87,269)**	**(107,873)**
a) wages and salaries	(60,754)	(61,251)
b) social obligation	(17,699)	(18,163)
c) Severance pay	(3)	(12)
d) Social security costs	(3)	(4)
e) reserve to staff severance indemnity	(351)	(289)
f) reserve to retirement fund and similar obligations	(38)	(62)
- defined contribution	-	-
- defined benefit	(38)	(62)
g) deposit to external complementary welfare funds:	(5,226)	(4,165)
- defined contribution	(5,226)	(4,165)
- defined benefit	-	-
h) Expenses resulting from share based payments	-	-
i) other benefits in favour of dependents	(3,194)	(23,928)
2) Other staffs in activity	**(2,880)**	**(3,294)**
3) Managers and statutory auditors	**(779)**	**(825)**
4) Staffs collocated to retirement	**-**	**-**
Total	**(90,929)**	**(111,992)**

The item "Other employee benefits" decreased compared to the previous year as the latter was influenced by the company reorganisation process.

12.2 Average number of employees, by category

	31/12/2024	31/12/2023
Employees:		
a) Senior managers	35	36
b) Managers	335	327
of which 3rd and 4th level	*63*	*64*
c) Remaining employees staff	777	852
Total	**1,147**	**1,215**
Other personnel	**20**	**20**

12.3 Defined-benefit pension plans: costs and revenues

The Group did not originally recognise costs and revenues relating to defined benefits company pension funds, as these were transferred from former FCA Bank S.p.A. following the transfer of the business unit carried out on 3 April 2023. These funds refer to the special indemnity provision for the loyalty bonus, on the basis of which, the employee who ceases to work and has accrued a minimum length of service predefined by the plan, is paid an amount equivalent to the loyalty bonus accrued on a pro rata at the date of 2 April 2023, and the length of service bonus fund, which envisages the disbursement of a double monthly salary at the time of the first working anniversary of 25, 30, 35 and 40 years of work. The funds being transferred will not generate future provisions, since these are a matter envisaged by former FCA Bank S.p.A. and since these funds have been transferred in relation to the Bank's employees entitled to them for the portion accrued up to the date of the business unit transfer transaction.

12.4 Other employee benefits

	31/12/2024	31/12/2023
Ancillary staff expenses (health insurance, luncheon vouchers and other minor benefits)	5,216	8,084
Incentive plan reserved for managers and middle managers	183	19,593
Cost of allocation of share by the parent company to employees		
Total	**5,398**	**27,677**

12.5 Other administrative costs: breakdown

Type of service/Amounts	Total 31/12/2024	Total 31/12/2023
IT expenses	**22,568**	**15,955**
Hardware	100	445
Software	20,604	12,239
Outsourcing	822	1,469
Telephone and data transmission	1,042	1,802
Taxes and duties	**14,251**	**12,044**
Professional services	**39,342**	**37,157**
Legal and notary advice	1,235	3,295
Outsourcing	32,823	28,893
Other professional services	5,283	4,970
Advertising, marketing and communication	**6,445**	**7,011**
Expenses related to credit risk	**18,320**	**16,217**
Information and certificates	2,316	3,741
Credit recovery	16,003	12,476
Litigation expenses not covered by provisions	**1,358**	**1,284**
Real estate expenses	**1,714**	**2,570**
Passive rent	194	576
Other real estate expenses	1,520	1,994
Leasing expenses	**420**	**505**
Other admininstrative expenses	**18,538**	**18,543**
Postal and archiving	2,459	3,157
Other non-professional goods and services	2,911	3,604
Insurance premiums	6,382	2,185
Resolution Fund contribution	16	2,970
FITD contribution	2,007	1,887
Other expenses	4,763	4,740
Total	**122,955**	**111,288**

"IT expenses" increased due to non-recurrent events. For greater information, please refer to the relevant section in the Notes to the consolidated financial statements - Part E concerning operational risks.

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

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

	Additions	Uses	Net provision 31/12/2024	Net provision 31/12/2023
Net provision on commitment and financial guaranties	(4)	-	(4)	-

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

The Group does not have other commitments and other guarantees given.

13.3 Net provisions for other risks and charges: breakdown

	Additions	Uses	Net provision 31/12/2024	Net provision 31/12/2023
Net personnel expense provision				
Net provision for legal disputes	(361)	150	(211)	28
Other provisions	(1,157)	1,200	43	953
Totale	**(1,519)**	**1,350**	**(168)**	**981**

For further details, please refer to the "Notes to the consolidated financial statements - Part B - Provisions for risks and charges".

Section 14 – Net adjustments to/recoveries on property, plant and equipment – Item 210

14.1 Net adjustments to property, plant and equipment: breakdown

Attività/Componente reddituali	Depriciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, equipment and investment property				
1. For operational use	(17,990)	-	-	(17,990)
- Owned	(15,133)	-	-	(15,133)
- Licenses acquired through lease	(2,857)	-	-	(2,857)
2. Held for investment	-	-	-	-
- Owned	-	-	-	-
- Licenses acquired through lease	-	-	-	-
3. Inventories	X	-	-	-
Total	**(17,990)**	**-**	**-**	**(17,990)**

Section 15 – Net adjustments to/recoveries on intangible assets – Item 220

15.1 Net adjustments to intangible assets: breakdown

Asset/Income	Amortization (a)	Impairment losses (b)	Write-backs (c)	Net profit (a + b - c)
A. Intangible assets				
of which: software	(13,596)	-	-	(13,596)
A.1 Owned	(28,100)	-	-	(28,100)
- Generated internally by the company	-	-	-	-
- Other	(28,100)	-	-	(28,100)
A.2 Licenses acquired through lease	-	-	-	-
Total	**(28,100)**	**-**	**-**	**(28,100)**

Section 16 – Other operating expenses/income – Item 230

16.1 Other operating expenses: breakdown

	Total 31/12/2024	Total 31/12/2023
Amortization on improvements (not separable) on real estates	**566**	**641**
Expenses related to leasing transactions	**49,974**	**43,428**
Operating	34,423	26,974
Finance	15,551	16,453
Other	**16,792**	**9,706**
Fraud	1,227	1,376
Expenses on claims	4,705	2,631
Other	10,859	5,700
Total	**67,331**	**53,775**

The item "other charges" mainly includes out-of-period amounts not recognised under their own item, write-downs of other assets and disposals of assets.

16.2 Other operating income: breakdown

	Total 31/12/2024	Total 31/12/2023
Recovery of expenses	**43,742**	**24,637**
Tax	11,634	10,558
Deposits and Current accounts	258	316
Operating leases	29,647	11,829
Other	2,202	1,934
Rental assets	**13**	**13**
Other	**54,294**	**55,253**
Società del Gruppo	15	-
Operating leases	655	395
Finance leases	32,698	26,221
Other	20,927	28,637
Total	**98,049**	**79,903**

The item "other" includes the servicing fees and reimbursements of expenses from the JV Hyundai Capital Bank Europe GmbH - Italian branch, classified in this sub-item as it is not part of the Santander Consumer Bank Group for Euro 13,739 thousand (Euro 10,865 thousand in 2023). It should be noted that, in this item, in 2023 an indemnity of Euro 8.5 million was recognised, received from the subsidiary Stellantis Renting Italia.

Section 17 – Gains (Losses) of equity investments – Item 250

The Group does not hold any equity investments other than those that fall within the consolidation scope.

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

The Group does not have any property, plant and equipment and intangible assets measured at fair value.

Section 19 – Value adjustments to goodwill – Item 270

The Group has no goodwill.

Section 20 – Gains (losses) on disposal of investments – Item 280

The Group has gains or losses on disposal of investments.

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

21.1 Income taxes for the year on continuing operations: breakdown

Income components/Sectors	Total 31/12/2024	Total 31/12/2023
1. Current tax expense (-)	(41,406)	(35,867)
2. Change of current taxes of previous years (+/-)	620	2,616
3. Reduction in current tax for the period (+)	-	-
3. bis Reductions in current tax expense for the period due tax credit related to L. 214/2011 (+)	-	-
4. Change of deferred tax assets (+/-)	54	(15,064)
5. Change of deferred tax liabilities (+/-)	(549)	(789)
6. Tax espense for the year (-)	**(41,281)**	**(49,103)**

21.2 Reconciliation between theoretical and effective tax charge

	31/12/2024	31/12/2023
Profit (loss) from continuing operations before tax	143,636	155,732
Profit before tax on discontinuing operations		
Theoretical taxable income	**143,636**	**155,732**
IRES - Theoretical tax charge	(43,815)	(45,151)
- effect of income and expenses that do not contribute to the tax base	10,844	7,549
- effect of expenses that are wholly or partially non-deductible	(802)	(2,459)
- variation in taxes from previous financial years	689	2,668
- Other	0	
IRES - Effective tax burden	**(33,084)**	**(37,393)**
IRAP - Theoretical tax charge	(9,033)	(9,118)
- portion of non-deductible administrative expenses, depreciation and amortisation	(432)	(56)
- portion of non-deductible interest expense	(794)	(1,459)
- effect of income and expenses that do not contribute to the tax base	3,900	2,211
- effect of expenses that are wholly or partially non-deductible	(3,405)	(3,357)
- variation in taxes from previous financial years	1,567	97
- Other		(27)
IRAP - Effective tax burden	**(8)**	**(12)**
Effective tax burden as shown in the financial statements	**(41)**	**(49)**

The item "effects of income and charges that change the tax base" includes the benefits inherent in the Patent Box regime in 2024; for greater information, please refer to the "Consolidated report on operations - Tax aspects", while in the previous year this aggregate included the benefits inherent to the ACE, now repealed.

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

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

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

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

Company name	Total	
	31/12/2024	31/12/2023
Investments in consolidated companies with significant minority interests		
1. Stellantis Financial Services Italia S.p.A.	37,078	24,878
2. Stellantis Renting Italia S.p.A.	2,316	8,590
3. TIMFin S.p.A.	528	5
4. Drive S.r.l	(914)	(115)
Other investments	-	-
Total	**39,008**	**(33,359)**

Section 24 – Other information

Information on public funds pursuant to article 1, paragraph 125 of Italian Law no. 124 of 4 August 2017 ("Annual law for the market and the competition")

Article 35 of Italian Decree Law no. 34/2019 (Crescita - Growth - Decree"), converted by Italian Law no. 58/2019, introduced a reformulation of the rules on transparency of public disbursements contained in article 1, paragraphs 125-129 of Italian Law no. 124/2017. The reformulation indicated as the subject matter of the transparency obligations the information relating to grants, subsidies, benefits, contributions or aid, in cash or in kind, "not of a general nature and not representing consideration, remuneration or compensation", effectively disbursed by the public administration authorities as well as by the entities referred to in article 2 bis of Italian Legislative Decree no. 33/2013.

In light of this reformulation, further interpretative clarifications made with Assonime circular no. 32 of 23 December 2019 confirmed that the subject matter of the transparency obligation is the attribution of economic benefits deriving from a bilateral relationship between a public entity and a specific beneficiary. Sums received by the company by way of consideration for a service performed or by way of remuneration for an assignment received or due for compensation are expressly excluded. Economic benefits received in application of a general regime are also excluded, such as for example tax breaks or contributions accessible to all parties who meet certain conditions.

In consideration of the above, in 2024 none of the Group companies received public grants.

For completeness of information, please also refer to the National Register of State Aid, publicly available on the relevant website, in which the Aid measures and the related individual Aid granted and registered in the system by the Managers are published, even if for the Group companies the cases indicated therein for 2021 do not represent, in light of the above, the subject matter of the transparency obligations in the financial statements referred to in paragraphs 125 and 125-bis.

Section 25 – Earnings per share

25.1 Average number of ordinary shares (fully diluted)

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

25.2 Other information

Profit (loss) for the year	102,354,830
Basic earnings per share	**154.25**

Profit (loss) for the period pertaining to the Parent Company	63,346,464
Basic earnings per share	**110.55**

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

Statement of consolidated comprehensive income

	Items	31/12/2024	31/12/2023
10.	**10. Profit (Loss) income**	**102,355**	**106,629**
	Other income components net of taxes without reversal to the income statement connected with:	**7**	**66**
20.	20. Equity securities designated at fair value with an impact on total profitability	-	-
	a) change in fair value	-	-
	b) transfers to other components of equity (canceled equity securities)	-	-
30.	30. Financial liabilities designated at fair value with impact on the income statement (changes in creditworthness):	-	-
	a) change in fair value	-	-
	b) transfers to other components of equity	-	-
40.	40. Coverage of equity securities designated at fair value with an impact on total profitability:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	50. Material activities	-	-
60.	60. Intangible assets	-	-
70.	70. Defined benefit plans	(2)	57
80	80. Non-current assets held for sale:	-	-
90.	90. Share of valuation reserves of investments valued at equity:	-	-
100.	100.	-	-
110.	110. Income taxes relating to other income components without reversal to the income statement	9	9
	Other income components with reversal to the income statement:	**59**	**837**
120.	120. Coverage of foreign investments:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
130.	130. Exchange differences:	-	-
	a) changes in fair value	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
140.	140. Coverage of financial flows:	-	-
	a) fair value variations	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
	of which: result of net positions	-	-
150.	150. Hedging instruments [non-designated elements]:	-	-
	a) fair value variations	-	-
	b) transfer to the income statement	-	-
	c) other variations	-	-
160.	160. Financial assets (other than equity securities) measured at fair value with an impact on total profitability:	88	1,251
	a) fair value variations	88	1,251
	b) transfer to the income statement:	-	-
	1. adjustments for credit risk	-	-
	2. gains/losses from realization	-	-
	c) other changes:	-	-
170.	170. Non-current assets held for sale:	-	-
	a) changes in fair value - WITH reversal to P&L	-	-
	b) transfer to the income statement	-	-
	c) other changes:	-	-
180.	180. Share of valuation reserves of investments valued at equity:	-	-
	a) changes in fair value - WITH reversal to P&L	-	-
	b) transfer to income statement:	-	-
	1. impairment adjustments	-	-
	2. gains/losses from realization	-	-
	c) other changes (net business combination transactions and consolidation method change) - WITH reversal to P&L	-	-
190.	190.	-	-
	a) fair value variations	-	-

	b) transfer to the income statement	-	-
	c) other variations	-	-
200.	200.	-	-
	a) fair value variations	-	-
	b) transfer to the income statement	-	-
	c) other variations	-	-
210.	210. Income taxes relating to other income components with reversal to the income statement	(29)	(414)
220.	**220. Total other income components**	**66**	**903**
230.	**230. Overall profitability (10 + 220)**	**102,421**	**107,532**
240.	Consolidated comprehensive income attributable to minorities	39,023	33,469
250.	**Consolidated comprehensive income attributable to Parent Company**	**63,398**	**74,062**

Part E – Information on risks and related hedging policies

Introduction

The Governance of Risks within Santander Consumer Bank Group (hereinafter the Group) maintained great significance, consistent with the macroeconomic context and with the requirements of the prudential supervision regulations through their management and control, as a means of ensuring reliable and sustainable value creation in a context of controlled risk.

The risk management strategy for all companies falling within the scope of control, which includes the JVs Stellantis Financial Services Italia, Stellantis Renting Italia, TIMFin, Drive and Santander Consumer Renting focuses on a complete and consistent overview of risks. It takes account of both the macro-economic scenario and the risk profile, stimulating the growth of the risk culture and encouraging a transparent and accurate presentation of the risks associated with the portfolios held, ensuring adequate organisational and methodological procedures consistent with the regulatory and operational context.

The policies that guide the assumption and management of risks are approved by the respective Boards of Directors (BoD), while the Board of Directors of the Parent Company SCB, in addition to the Risk Appetite Framework (RAF) thresholds specified by the Parent Company, approves the thresholds relative to capital metrics. The BoD of the Parent SCB is supported in the carrying out of its functions by the specialist committees established, which include the board Risk Committee, which is entrusted with the task of supporting the Board of Directors in relation to risk, so allowing it to take correct decisions with regard to risk governance. In addition to these, managerial committees have been established. These include the Executive Risk Committee, whose Chairman is the Chief Executive Officer (CEO) with the Chief Risk Officer (CRO), the Head of Administration and Control Department and the Head of Finance Department as permanent members.

The organisational structure adopted by both the Parent Company and by the subsidiaries allows adequate coordination of activities at Group level and effective risk management in all key areas, starting with the definition of tools for the analysis and measurement of risks (in collaboration with the Spanish Parent Company's methodology functions) and the definition of policies and strategies for the acceptance and control of existing risks, ensuring a correct balance between long-term strategic objectives and short-term earnings objectives. In addition, the presence within the subsidiaries of a hierarchical line of reporting to the Board of Directors (BoD) guarantees the independence of the function.

The risk appetite of the Parent Company SCB and, more generally, of the Group, is shown in the RAF, a strategically important tool, organised and structured to present to the governance bodies the main risks to which a company is exposed and the level of such risks that it is willing to assume under normal and stressed conditions. The document outlines and thus applies the Target Risk framework defined for the Bank and for the Group. For the latter in particular, in order to ensure adequate supervision, in addition to capital metrics, a number of result, concentration and operational risk metrics were introduced into the monitoring.

The overall risk profile stems from the general principles defined by the risk policies and consists of a structure of limits suitable to ensure that, even under stressed conditions, minimum levels of solvency, liquidity and earnings are met.

The general principles that guide the risk assumption strategy are based on the optimisation and protection of financial results, by pursuing revenue generation without affecting the achievement of adequate levels of capitalisation and a conscious assumption of risks and measurement thereof.

The risk appetite of the Parent Company SCB and the subsidiaries is based on the following requisites and features:

- it reflects an aggregated view and applies to all business units (functional areas);
- it considers the main types of risk that impact the Group's business development;
- it takes a prospective view of the Group's risk profile in certain circumstances, with the use of stress tests and scenario analysis;
- it is not static and adapts to the changing business environment;
- it combines quantitative and qualitative standards;
- it is concise and easy to communicate to Senior Management and external stakeholders;
- it enables a structured comparison of risk profile against risk appetite;
- it is connected to the overall corporate strategy and to other instruments or business processes that help with planning, evaluating and monitoring risks, including those aimed at defining the budget, liquidity/financing and capital;

- it is integrated with risk management of the Bank's ordinary activities, given that it was designed to take account of existing policies and limits.

In summary, the expectations are:

- keeping expected profitability within the parameters laid down;
- prudent management of risk through the continuous monitoring of the portfolios managed;
- management of funding aimed at increasing the diversification of funding sources;
- control/optimisation of operating costs, to be implemented by means of more stringent monitoring of the planning/assessment/authorisation process and by streamlining business processes;
- achievement of levels of capitalisation in line with current regulations and with constraints imposed by the Supervisory Authorities, as well as with the objectives agreed with the Spanish Parent Company;
- development and updating of professional skills in the light of continuous changes in regulations, in the increasingly competitive market context and in the strategies of the Santander Group.

Risk culture

In line with that already accomplished in previous years, the Group gives utmost attention to the transmission and sharing of a risk culture, by means of regular updates to relevant documents and by initiatives implemented to address specific issues as they arise, also in agreement with the Spanish Parent Company. In this regard, the Parent Company SCB via the corporate "SCORE" (Santander Consumer Risk Excellence) programme developed with the support of the Spanish Parent Company, implemented measures aimed at spreading awareness of the risks to which the Bank is exposed, the conduct required to mitigate them and finally the instruments necessary to monitor and improve them. The measures, which are spread over various areas and have impacts across the entire Bank, have seen the involvement of both Top Management and other areas of the Bank.

As a result of the annually up-dated programme being carried out, significant improvements have been made both in terms of processes and the checks performed. Following the programme confirming its importance is an integral part of the objectives assigned to Top Management. The risk management approach adopted is orientated towards an increasingly integrated and consistent management of risks, by taking account of the macro-economic scenario and the Group's risk profile, by stimulating a growing risk culture by means of an extensive and transparent presentation of the risks associated with portfolios.

Organisation and risk governance

Credit risk is the main type of risk to which the Group is exposed and is associated with the probability that a borrower may be unable to meet its contractual obligations thereby resulting in possible future losses.

In this business environment and in compliance with the applicable provisions relating to the Internal Control System (Circular of Bank of Italy no. 285 of 17 December 2013 and subsequent updates) the Group is provided with an organisational and operational structure adequate to the assigned objectives, including in its structure also the IT & Cyber unit for the correct second-level supervision of the corresponding risks. The structure has also been consolidated and modified in the individual units also in consideration of the entry into force of the IFRS 9 accounting standard and was further enhanced by the entry into force of the New Default Definition pursuant to article 178 of EU Regulation no. 575/2013 and with the up-dating of the definitions of non-performing credit exposures in order to guarantee an adequate risk management, with particular reference to the definition of the policies for the valuation and classification of loans, the development of second level controls and the monitoring of positions in the assigned stages.

Starting from January 2021 in compliance with the requirements of the regulations (EBA/GL/2016/07 "Guidelines on the application of the definition of default under article 178 of EU Regulation no. 575/2013" and EBA/RTS/2016/06 "New regulatory technical standards on materiality threshold of credit obligations past due" that supplement the EU Delegated Regulation no. 171/2018 of the European Commission dated 19 October 2017), the new European rules on classification of borrowers "in default" came into force, i.e. borrowers who are no longer able to fulfil their commitments with the Bank and are therefore "defaulting".

The above regulation has established more restrictive criteria and methods for default classification than those adopted so far, with the aim of harmonising the regulations among the various countries of the European Union. The legislation involved both companies and individuals who have access to credit and requires each institution to automatically classify the exposure as "in default" when a materiality threshold is exceeded, expressed in absolute and relative terms, taking into account the total amount of the exposures that the borrower has with the bank.

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

- in the case of Individuals and Small and Medium Enterprises, more than Euro 100 (as an absolute component) and more than 1% of total exposures to the bank (as a relative component);
- in the case of Large Enterprises, more than Euro 500 (as an absolute component) and more than 1% of total exposures to the bank (as a relative component).

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

- the possibility that the classification as "in default" of a position spreads to all the joint obligations with other borrowers (e.g. joint names, guarantors of partnerships, etc.);
- for customers in financial difficulty, the possibility that any suspension of payment of the instalments, the renegotiation of the loan or the consolidation of the position entail its classification as a Non-Performing Loan (NPL);
- the prohibition on offsetting between credit facilities for the customer with overdue credit facilities.

The customer who has settled the arrears, after at least 90 days from these settlements without any further situations of arrears or further prejudicial events occurring, will exit the default status.

The Group continued to up-date the PD/LGD/EAD parameters through the implementation of the points for improvement identified during the validation activities as included in the review and recalibration carried out annually and aimed at maintaining the expected quality levels for the models in use. These activities were developed directly by the Parent Company's methodological study team with the IT support of the local team. The updated and validated models were subjected to monitoring and backtesting activities in order to ensure an adequate calculation of the economic impacts.

The organisational standards applied to ensure that the Group has an effective risk governance system are aimed at:

- ensuring the separation of operational functions from control functions;
- ensuring the identification, measurement and monitoring of risks inherent, or that may be assumed, in the various operational areas;
- guaranteeing that any anomalies, which result from checks performed by the monitoring functions, are rapidly brought to the attention of the appropriate level of management, dealt with promptly and recorded for subsequent checks.

To this end, the risk management and governance process adopted within the Group is based on an organisational structure that ensures there is an internal control system that operates on three levels, in line with banking supervisory regulations, consisting of:

- line controls (first-level controls): these are performed by the operating units to verify that the processes and tasks within their competence have been carried out in accordance with internal procedures. Where possible, these types of controls are incorporated in automated IT procedures;
- risk management controls (second-level controls): these are performed by the Risk Control Unit to ensure the correct functioning of the risk management process by means of the measurement and assessment of the level of risks assumed as well as compliance with any limits assigned to operational areas;
- compliance controls (second-level controls): these are performed by Compliance and AML and Customer Protection units, which verify compliance with internal and external regulations to which each unit of the Group is subject;
- internal audit controls (third-level controls): these are carried out by the Internal Audit Department, which has the task of verifying the ordered performance of processes (management/production, business/commercial, support/functional) and their compliance with corporate standards, the substantial correctness of the conduct of operations and the suitability, from the standpoint of its framework and rules governing how it should function, of the internal control system and the adequacy and effectiveness of the monitoring systems, in relation to the various types of risk.

Every unit of the Group has adopted an organisational structure in accordance with the principles listed. To support the structures adopted, the internal inter-departmental committees put in place, in each component of the Group, have carried out the support and advice activities provided for by the respective local regulations.

Main Risks

The Group's risk profile is defined through the risk assessment carried out in accordance with the methodologies issued by the Spanish parent company, applied according to a principle of proportionality to the individual Group units and shared also by the Cooperation[1], Risk Identification Assessment (RIA). The assessment sees the direct involvement of the first line of defence and the supervision and support of the second line of defence, and is carried out at the beginning of the year and updated in the second half. Specifically, the updating carried out in the second part of the year is aimed at verifying the improvements achieved as a result of the implementation of the remedial actions identified during the first assessment. Through the RIA methodology, the risk profile of each individual Group unit is identified and assessed and a specific score is given, taking into account:

- the current level of risk;
- the level of risk deriving from the macroeconomic situation;
- exposure to potential specific risks.

The method also makes it possible to:

- identify possible "emerging risks" to enable the effective management and mitigation of risks;
- obtain a quantitative representation of the risks assumed at the date of the analysis, on the basis of current activities in the companies that make up the Group and the development strategies put in place.

The result of the exercise performed confirmed the overall risk profile of the Group and the individual companies to be "low-medium", thus continuing to improve.

[1] Coordination group established between the Santander Group and the Stellantis Group for the governance of the JVs.

Section 1 - Accounting consolidation risks

Quantitative information

A. Credit quality

A.1 Performing and non-performing credit exposures: amounts, value adjustments, trends and economic distribution

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

Portfolios/quality		Non-performing loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Performing exposures	Total
1. Financial assets valued to amortised cost		5,790	30,834	73,522	141,341	13,421,304	13,672,792
2. Financial assets at fair value through other comprehensive income		-	1,414	1,974	41	2,035,386	2,038,816
3. Financial assets designated to fair value		-	-	-	-	-	-
4. Other financial assets mandatorily valuated to fair value		-	-	-	-	-	-
5. Financial instruments classified as held for sale		-	-	-	-	-	-
Total	**31/12/2024**	**5,790**	**32,248**	**75,496**	**141,383**	**15,456,691**	**15,711,607**
Total	**31/12/2023**	**4,058**	**20,393**	**58,820**	**115,185**	**13,881,951**	**14,080,406**

For details on the credit quality relating to the exposures subject to forbearance included in the portfolio of financial assets measured at amortised cost, see table A.1.5 below.

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolio/quality		Impaired				Not impaired			Total (net exposition)
		Gross exposure	Overall writedowns of value	Net exposure	Overall partial write-off*	Gross exposure	Overall writedowns of value	Net exposure	
1. Financial assets valued to amortized cost		288,529	(178,383)	110,146	-	13,645,081	(82,435)	13,562,646	13,672,792
2. Financial assets valued to fair value with impact on overall profitability		3,414	(26)	3,388	-	2,036,018	(591)	2,035,428	2,038,816
3. Financial assets designated to fair value		-	-	-	-	X	X	-	-
4. Other financial assets mandatorily valuated to fair value		-	-	-	-	X	X	-	-
5. Financial assets as held for sale		-	-	-	-	-	-	-	-
Total	**31/12/2024**	**291,943**	**(178,409)**	**113,534**	**-**	**15,681,099**	**(83,026)**	**15,598,073**	**15,711,607**
Total	**31/12/2023**	**205,575**	**(122,304)**	**83,270**	**-**	**14,062,081**	**(64,950)**	**13,997,135**	**14,080,406**

Portfolio/quality		Assets of obvious poor credit quality		Other assets
		Cumulated losses	Net exposure	Net exposure
1. Financial assets held for trading		-	-	72,671
2. Hedging Derivatives		-	-	10,039
Total	**31/12/2024**	**-**	**-**	**82,711**
Total	**31/12/2023**	**-**	**-**	**159,571**

B. Information on structured entities (other than special purpose entities created for securitisations)

The Group does not have any positions with structured entities.

Section 2 – Prudential consolidation risks

1.1 Credit risk

Qualitative information

1. General aspects

The credit risk is associated with the probability that a borrower may be unable to meet its contractual obligations, thus exposing the company to possible future losses, or that it may experience a deterioration in creditworthiness that could compromise its future ability to fulfil its obligations.

The Group's strategies are focused on:

- the achievement of a sustainable objective consistent with the Group's risk appetite and value creation, guaranteeing the quality of lending activities;
- diversification of the portfolio, limiting the concentration of exposures on counterparties/groups, on economic sectors or geographical areas;
- an efficient selection of economic groups and individual borrowers, through a careful analysis of creditworthiness aimed at limiting the risk of insolvency and mitigating the losses potentially connected to them;
- the constant monitoring of relationships and related exposures, carried out both with IT procedures and by means of systematic monitoring of positions presenting irregularities, in order to promptly identify any signs of impairment.

The Group's operations in Italy are characterised by a very high average number of customers, with average/low exposure and a limited average residual duration. Specifically, it is possible to discern the following clientele:

1) *end users* (consisting of both retail and corporate), who are offered products in the technical forms of:

- consumer credit:
  - car loans, special-purpose loans for the purchase of vehicles, including motorcycles and motorbikes, to persons who apply for loans offered by dealers affiliated with the Bank. The loan amount is granted directly by the affiliated dealer. The customer undertakes to repay the loan in accordance with a fixed rate repayment plan in equal instalments. The customer may take out insurance cover for the loan or the object financed;
  - special-purpose loans, loans granted solely by the agency channel to persons for the purchase of goods other than cars and/or for the provision of services. These have the same repayment/contractual features of car loans;
  - personal loans, loans granted directly to the customer that have the same repayment/contractual features of car loans and special-purpose loans. It is possible to take out insurance cover for the loan;
  - End-of-service indemnity, the product consists of the financing of an advance of the end-of-service indemnity, which, for public employees, is not disbursed when they retire, but only subsequently. In fact, at the end of the work activities, employees of public companies, who have accrued pension requirements, are entitled to an End-of-service indemnity indeed, but this is disbursed by INPS in a maximum of 3 annual instalments (based on the amount to be disbursed). With the new product, the bank immediately advances the full amount to the customer, net of interest and stamp duty, collecting the payment directly from INPS according to the scheduled instalments.
- consumer leases: finance and operating leases, financing transactions offered by the Bank (lessor) consisting of granting the use for an agreed period of time, upon payment of periodic lease charges (lease payment), of motor vehicles, motorcycles, camper vans, commercial vehicles purchased or constructed by a third party supplier, as requested by the lessor and chosen and indicated by the customer (user with a VAT number); the latter assumes all the risks and retains the

right, at the end of the agreed contractual term, to purchase the goods for a predetermined price and to extend possibly the use thereof under predetermined or pre-determinable financial conditions. For leasing products, the typical risks of finance leases, apart from those arising from a contractual breach by the customer, are of a contractual and economic-financial nature;

- salary assignment loans, a particular type of personal loan that is settled through the assignment of a portion of salary or pension up to one fifth of the amount thereof net of withholdings. This product has a set maximum duration and a minimum duration that is not normally less than twenty-four months;
- credit cards, a line of credit for an unlimited period made available to a customer, who may make use thereof in one or more lots. The user undertakes to repay the amounts utilised and interest accrued thereon, complying with the payment of monthly minimum instalments, but with the right to make larger repayments if desired. The repayment of the capital element ensures the availability once again of the full credit facility, which may be reutilised by the customer. Interest rates are generally fixed, but Santander Consumer Bank has the right to modify the financial conditions during the relationship, in compliance with regulations in force. The loan may be guaranteed;
- factoring without recourse;
- insurance products that can be associated with loans;

2) wholesale (consisting of corporate), instrumental to the end-user segment, who are offered products in the technical forms of:

- financing of warehouse stock;
- financing of working capital and/or cash advances.

The distribution structures, adopted in line with the specific objectives of each company of the Group, are:

- affiliates: through this channel, only special-purpose loans, car loans and leases;
- agents: through this channel, only personal loans, special-purpose loans (cars, furniture, etc.) and car leases are granted;
- special agreements: this category includes business from third-party companies towards SCB according to the terms of the agreements concluded at national level;
- internet: through the Bank's website and some selected specialised sites.

2. Credit risk management policies

2.1 Organisational aspects

The Risk Departments, established care of the individual Group companies, are dedicated to the management and control of credit risk, through:

- the identification of suitable tools;
- the identification of strategic guidelines and consequent management policies, verifying their efficiency and effectiveness on an ongoing basis;
- the definition of duties and responsibilities of the company functions and structures involved in the processes, through adequate levels of segregation (in order to avoid possible conflicts of interest).

These are subject to oversight activities by the Italian Parent Company (SCB), which is in turn monitored by the Spanish Parent Company (SCF). Furthermore, in order to ensure independence, a manager is appointed for each Department who reports directly to their Board of Directors and to the Chief Risk Officer of SCF.

Lastly, the Internal Audit department carries out internal audit activities, aimed at identifying violations of procedures and regulations as well as periodically assessing the completeness, adequacy, functionality and reliability of the internal control system and the information system, with a fixed frequency in relation to the nature and intensity of the risks.

2.2 Systems for managing, measuring and monitoring risk

Credit risk is measured and monitored by the RAF (Risk Appetite Framework) both at Group level and at individual entity level.

The document is approved by the Board of Directors upon the proposal of the Risk Department.

The areas that undertake the risks are also directly involved in the risk management process, in particular in order to:

- correctly identify new business opportunities, commensurate with an adequate risk profile, through the drafting of business plans, profitability and portfolio analysis;
- monitor specific concentration indicators both with respect to exposures classified as "high risk" or with a below threshold rating, and major commercial agreements managed.

The Group essentially manages two types of credit risk, namely end-user and wholesale.

Taking into account the different nature of customers, specific procedures are adopted as part of the main phases of development of the process, broken down into:

- acceptance of a loan application;
- monitoring and reporting;
- credit collection.

The process is organised according to a model aimed at ensuring the clear separation between disbursement responsibilities and those of risk management and control, in order to avoid possible conflicts of interest; including between the functions responsible for the analysis stage and the commercial functions. The various functions are also given powers to grant loans according to graduated criteria, scaled according to the different responsibility levels along the hierarchical line.

Both categories mentioned are measured using a standardised method pursuant to the CRR (EU Regulation no. 575/2013 of the European Parliament and the Council of 26 June 2013).

As a last resort, every six months, in compliance with its own policies, the Group carries out stress tests in order to verify:

- the adequacy of the capital;
- the adequacy of cumulative value adjustments;
- the sustainability of the business in scenarios of plausible difficulties.

2.3 Methods for the measurement of expected losses

The Group uses two different approaches for assessing Expected Credit Losses (ECL):

- individual assessment: mainly used for non-end-user products (Wholesale and Fleet) of the subsidiaries Stellantis Financial Services Italia and Stellantis Renting Italia classified in Stage 2 and Stage 3, where the assessment depends on the SCAN (Santander Customer Assessment Note) classifications assigned to each position;
- collective assessment: for end-user products where the assessment depends on a statistical approach given by the exposure product (EAD - Exposure At Default), probability of default (PD - Probability of Default) and expected loss (LGD - Loss Given Default).

The EAD is determined on the basis of the gross accounting exposure of the financial asset/residual financial commitment, net of value adjustments on interest of defaulted positions, and possibly corrected by credit risk mitigation techniques (CRM - Credit Risk Mitigation) recognised for regulatory purposes. Note that for the subsidiaries Stellantis Financial Services and Stellantis Renting Italia, a "customer" exposure is used (i.e. utilisation at the reference date).

The PD is measured by classifying loans in three different stages depending on the deterioration of the credit quality observed with respect to the initial recognition (SICR - Significant Increase in Credit Risk).

The assessment of the significant increase in risk is carried out by the Group on the basis of the observation of qualitative aspects, such as the forborne status for consumer customers or positions under monitoring for wholesale products and the past due status.

The various stages with related peculiarities are summarised below:

Stage	Description	PD Type
1	Regular exposures, for which no SICR is shown	Statistical calculation at 12 months
2	Regular and non-regular exposures (with continuous past due exceeding 30 days but less than what is required for classification in Stage 3), for which a SICR is highlighted.	Statistical calculation that covers the entire life of the credit (Lifetime).
3	Irregular exposures (with continuous overdue exposures over 90 days and exceeding the materiality thresholds) for which a SICR is highlighted. This category includes non-performing past due loans, probable defaults and non-performing loans.	1

To carry out these assessments, the portfolios are aggregated in risk classes on the basis of the days of delay and on the basis of other qualitative information (e.g. forborne measures and SCAN).

In this context, the PD calculation is based on the probability of transition between risk classes using the Markov transition matrices method, which utilises:

- 10-year time series, restated to take into account the introduction in 2021 of the New Default Definition (NDD);
- RTOB (Remaining Times On Book) variables/Scheduled times on book/amount to take into account the financial characteristics of the exposures;
- forward looking information variables (e.g. future GDP trends) of plausible scenarios (which can be broken down into: extra positive/positive/neutral/negative/extra negative).

Lastly, the LGD calculation takes into account the following variables, in order to determine an LGD for the Non-Defaulted, Defaulted Reversible and Defaulted Irreversible portfolio:

- maximum time in default: the bank assesses the maximum time horizon within which a loan is managed by collection processes and defines the maximum time spent in default, on the basis of the evolution of the direct recoveries and the disposal policies;
- type of Default: +90 days of continuous past due/write-off;
- nature of Default: reversible/irreversible;
- cure Rate: which determines the percentage of loans that, after a default event, return to regular;
- recovery Rate: which is based on recovery from "irreversible default" starting from the date of the first relevant default;
- ELBE (Expected Loss Best Estimate): which estimates the current Loss for a loan classified as in default on the basis of the historical data;

In order to segment exposures in a more accurate manner, clustering into homogeneous products by characteristics/performances is considered for some categories.

During the year, although the methodology for determining the ECL was not changed, the risk parameters were recalibrated, as usual, including the updating of the time series and, in particular, the macroeconomic scenarios, in addition to managing the post model adjustments indicated below, determined in previous years. The tool used for the application of the principles described was developed and reviewed, periodically, by the Spanish Parent Company for all the Group units. The peculiarities of the Italian market were considered by making minimal changes to the instrument and were subject to a specific assessment by the independent Validation unit.

The changes in post model adjustments and management overlays made in order to reflect potential impacts, in terms of riskiness on some specific types of customers/portfolios, macroeconomic factors, and to cover risks not directly "captured" by the ECL calculation model, are represented below.

Figures in Euro millions

	Remaining amount 31/12/2023	Release 2024	Altre variazioni 2024	Remaining amount 31/12/2024
Post model adjustments	**(2.6)**	**2.3**	**0.5**	**0.2**
of which:				
- generation 2022	(1.0)	0.9		0.0
- generation 2023	(1.7)	1.4		(0.3)
- generation 2024			0.5	0.5
Total	**(2.6)**	**2.3**	**0.5**	**0.2**
of which Parent Company	(2.0)	2.0		0.0

Compared to the previous year, the Group has a very limited residual value of post model adjustment (PMA). In 2024, Santander Consumer Bank released the residual values shown above. TIMFin released the residual values shown above and at the same time generated a positive PMA of 0.5 million on a specific credit category. With regard to the other companies belonging to the Group, there are no PMAs.

Assessment of the significant increase in credit risk (SICR)

The assessment of the significant increase in risk is carried out by the Group on the basis of the observation of qualitative aspects, such as the forborne status for consumer customers or positions under monitoring for wholesale products and the past due status.

In 2024, the Group also introduced quantitative threshold and threefold criteria in the detection process.

To determine the significant risk increase (SICR) thresholds, a statistical approach was adopted, based on the analysis of a representative historical sample of the portfolio. This sample was divided into standard groups, defined on the basis of the probability of default at origin of the contracts, on which the distribution by quantiles of the difference between the probability of default at origin and the observation date was calculated. Subsequently, the risk increase threshold was determined by identifying the level of change that maximised the transitions in stage 3, minimising returns in stage 1, over a time period of one year, indicative of a deterioration in credit quality. The application of this method envisages that the exceeding of the thresholds thus defined entails, from a prudent perspective, the transfer of the loan to stage 2 in order to promptly and adequately reflect the increase in risk. In addition to the method for calculating the thresholds, the threefold backstop criterion was introduced. This criterion consists in verifying whether the exposures have undergone an increase of more than 200% in the probability of annualised default from the observation date with respect to the date of origin, possibly leading to a reclassification of the loan in stage 2.

The introduction of these calibrations had a consolidated impact (mainly originating from Santander Consumer Bank) of approximately Euro 3 million on value adjustments.

Measurement of expected losses

The Group has not changed the calculation methodology for the measurement of the expected loss, previously indicated.

2.4 Credit risk mitigation techniques

Risk mitigation techniques include those instruments that contribute to reducing the loss (LGD) that would be incurred in the event of default of the counterparty.

With regard to the mitigation of counterparty risk for derivatives not regulated OTC (Over The Counter) and for SFT (Securities Financing Transactions) type transactions, the Group uses bilateral netting agreements that allow, in the case of counterparty default, the offsetting of credit and debit positions.

This takes place through the signing of ISDA (International Swap Derivatives Association) and ISMA (International Securities Market Association) agreements, which, in compliance with supervisory regulations, also allow the reduction of regulatory capital absorptions.

In addition, the Group has collateral exchange agreements in place, mainly on a daily basis, to hedge transactions in OTC derivatives, also by virtue of the obligation to margin trade on derivatives that cannot be centrally offset, envisaged by the EMIR regulations; also for SFT operations, the Bank enters into agreements (GMRA - Global Master Repurchase Agreements) for daily margining.

With regard to the mitigation of risk on loans, the types of guarantees allowed by the credit policies in force are summarised below:

- collateral: mortgages;
- endorsement guarantees: bank, insurance, sureties;
- other forms: retention of ownership and buy back obligations.

The Group's portfolio is characterised by a low incidence of guarantees, as shown in table "A.3 Distribution of secured credit exposures by type of guarantee".

They mainly focus on the part of the wholesale portfolio characterised by agreements with parent companies and dealers.

The collateral acquired, albeit to a limited extent, allows coverage of the default risk of granular portfolios and the release of economic and regulatory capital, as required by current supervisory regulations on the matter (among other things, EU Regulation no. 575/2013 and Bank of Italy Circular no. 285/2013).

With regard to the technical-organisational procedures adopted, detailed processes govern the acquisition of individual guarantees, identifying the structures responsible as well as the methods for their correct finalisation, for the archiving of the documentation, for the complete and timely recognition in the applications of the pertinent information.

The set of internal regulations, organisational and procedural controls, is aimed at ensuring that:

- all formalities for the validity and effectiveness of the credit protection are envisaged;
- for general and current use guarantees, standard contracts are defined, accompanied by complete instructions for their use;
- the methods for approving the texts of guarantees differing from the standards by structures other than those in charge of managing the business relationship with the customer are identified.

On a continuous basis, the valuation of guarantees is based on the market value of the financial instruments listed on a regulated market, or otherwise, as the estimated realisable value. It is based on external databases and where necessary carried out by specialised technicians.

Any compulsory enforcement of the guarantee is handled by specialised structures responsible for credit collection.

3. Non-performing credit exposures

3.1 Management strategies and policies

Non-performing credit exposures are monitored within the RAF through summary indicators monitored continuously by the second-level units:

- Cost of credit: measures the weight of net adjustments with respect to the Group's average portfolio;
- NPL (Non-Performing Loans) Ratio: measures the weight of non-performing loans on the total loan portfolio of the Group;
- Single Name: measures the level of individual exposures with respect to the Group's shareholders' equity.

The instruments presented express the creditworthiness of the portfolio and allow traceability with the strategic plan/budget, the risk policies and the contingency plan indicators.

If significant misalignments with respect to expectations arise, both due to internal and external factors, the Group will promptly update its strategic guidelines.

During the year, the figures recorded were positive with respect to the pre-established strategic objectives.

In addition, non-performing credit exposures are classified according to their degree of criticality:

- bad loans: exposures to a borrower in a state of insolvency (even if not established by a court) or in substantially comparable situations;
- unlikely to pay loans: exposures (other than those classified as bad loans) for which full settlement is unlikely without considering recourse to actions such as enforcement of guarantees;

- non-performing past-due exposures: exposures other than those defined as bad loans or unlikely to pay, which, at the reference date, are past due or continuously past due by more than 90 days and that exceed both the relevance thresholds set out below:
  - absolute: equal to Euro 100 for retail exposures and Euro 500 for exposures other than retail exposures;
  - relative: more than 1% of the borrower's exposure.

3.2 Write-off

The Group makes use of write-offs (i.e. write-off/derecognition of non-collectable accounting items) in the following cases:

- non-recoverability of the loan, resulting from certain and precise elements (such as, for example, unavailability and lack of property of the borrower, non-recoveries from executions, negative foreclosures, closed bankruptcy proceedings, if there are no other usefully enforceable guarantees, etc.);
- assignment of receivables;
- waiver of receivables, in connection with settlement contracts;
- without waiver of receivables. In order to avoid the maintenance in the financial statements of receivables that, despite continuing to be managed by the collection structures, have very marginal possibilities of recovery, the receivable is written off due to impossibility of recovery even without closing the legal procedure.

For quantifying details of the write-offs recognised during the year reference is made to the table "A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees given: dynamics of total write-downs and total provisions".

3.3 Purchased or originated credit-impaired financial assets

Based on IFRS 9, receivables considered non-performing from the time of initial recognition in the financial statements, due to the associated high credit risk, are defined as POCI (Purchased or Originated Credit Impaired Asset).

If these receivables fall within the scope of application of impairment pursuant to IFRS 9, they are measured by recognising - from the date of initial recognition - provisions to cover losses that cover the entire residual life of the receivable (Expected Credit Loss lifetime). Since these are non-performing loans, they are initially recognised as part of Stage 3, without prejudice to the possibility of being moved, over the course of their duration, to Stage 2 if, on the basis of the credit risk analysis, they are no longer impaired.

With regard to these exposures, IFRS 9 envisages that:

- initial recognition is at fair value;
- the estimate of the expected credit loss is always quantified on the basis of the expected loss over the entire life of the financial instrument;
- the interest recognised in the accounts is determined by applying the "effective interest rate adjusted for credit risk" (so-called "EIR Credit Adjusted") or the rate that, at the time of initial recognition, discounts all future estimated cash inflows at the amortised cost of the asset, also taking into account expected credit losses in the estimate.

4. Financial assets subject to commercial renegotiation and forborne exposures

Forbearance measures represent concessions vis-à-vis a borrower who faces, or could be faced with, situations of difficulty in complying with their contractual commitments such as to prevent them from meeting the original payment commitments.

The term "concessions" indicates both the contractual changes granted to the borrower in financial difficulty, and the disbursement of a new loan to allow the fulfilment of the pre-existing obligation. Renegotiations carried out for commercial reasons/practices, regardless of the borrower's financial difficulties, are excluded from the concept of concessions.

The identification of the exposures subject to forbearance measures, in line with the provisions of the EBA (European Banking Authority) regulations and unlike the "per borrower" approach adopted by the Group, necessarily takes place according to a "per transaction" approach.

The Group policy envisages elements for the "transversal" identification of financial difficulties which, in the presence of renegotiation/refinancing, to an extent greater than 1%, entails the classification among those subject to forbearance measures in the case of:

- performing exposures: delays in payments and a simultaneous significant deterioration of trend data originating from external databases (CRIF Credit Bureau and the Bank of Italy's Central Credit Register), resulting in Stage 2 classification;
- non-performing exposures: the state of financial difficulty is implicit.

The forbearance measures granted are monitored for minimum periods, differentiated on the basis of the risk status assigned to the counterparty:

- performing exposures: a 24-month probation period;
- non-performing exposures: 36 months, represented by 12 months of cure period and a further 24 months of probation period.

For the quantification of forbearance measures in the year, please refer to table "A 1.7bis - Cash credit exposures to customers: trends in gross forborne exposures, breakdown by credit quality".

Quantitative information

A. Credit quality

A.1 Performing and non-performing credit exposures: amounts, value adjustments, trends and economic distribution

A.1.1 Prudential consolidation - Distribution of financial assets by past due time bands (book values)

Portfolios / stages of risk		First step			Second step			Third step			Purchased or originated impaired		
		From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days
1. Financial assets valued at amortized cost		61,785	4,503	4,170	38,660	26,444	5,779	4,930	6,853	65,406	53	70	286
2. Financial assets valued at fair value with impact on overall profitability		-	-	-	41	-	-	-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-	-	-	-	-	-	-
Total	31/12/2024	61,785	4,503	4,170	38,702	26,444	5,779	4,930	6,853	65,406	53	70	286
Total	31/12/2023	64,221	7,039	4,406	12,765	24,193	1,949	3,656	4,852	47,016	152	364	934

A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees given: dynamics of total write-downs and total provisions

Causal / risk stages	Total value adjustments											
	First stage activities						Second stage activities					
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns
Total opening adjustments	**-**	**45,856**	**-**	**-**	**-**	**45,856**	**-**	**19,094**	**-**	**-**	**160**	**18,935**
Changes in increase from financial assets acquired or originated	-	36,567	-	-	-	36,567	-	-	-	-	-	-
Cancellations other than write-offs	-	(9,464)	-	-	-	(9,464)	-	(1,305)	-	-	-	(1,305)
Net value adjustments / write-backs for credit risk (+/-)	-	(24,940)	578	-	-	(24,362)	-	17,521	13	-	2,568	14,966
Contractual changes without cancellations	-	(18)	-	-	-	(18)	-	(801)	-	-	(695)	(105)
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(18)	-	-	-	(18)	-	(59)	-	-	-	(59)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**47,983**	**578**	**-**	**-**	**48,561**	**-**	**34,452**	**13**	**-**	**2,032**	**32,432**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	(1,056)	-	-	-	(1,056)	-	(119)	-	-	-	(119)

Causal / risk stages	Total value adjustments											Total provisions on commitments to disburse funds and financial guarantees issued				Tot.
	Activities included in the third stage						Attività fin. impaired acquisite o originate									
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	First stage	Second stage	Third stage	Commitments to provide funds and financial guarantees issued impaired acquired or originated	
Total opening adjustments	**-**	**120,638**	**-**	**-**	**288**	**120,350**	**1,666**	**-**	**-**	**1,666**	**-**	**-**	**-**	**-**	**-**	**187,254**
Changes in increase from financial assets acquired or originated	-	-	-	-	-	-	X	X	X	X	X	4	1	-	-	36,572
Cancellations other than write-offs	-	(8,671)	-	-	(608)	(8,063)	-	-	-	-	-	-	-	-	-	(19,440)
Net value adjustments / write-backs for credit risk (+/-)	-	77,878	26	-	16,265	61,639	(1)	-	-	(1)	-	-	-	-	-	71,075
Contractual changes without cancellations	-	413	-	-	315	97	-	-	-	-	-	-	-	-	-	(406)
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(13,540)	-	-	(1,019)	(12,521)	-	-	-	-	-	-	-	-	-	(13,616)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**176,718**	**26**	**-**	**15,242**	**161,502**	**1,665**	**-**	**-**	**1,665**	**-**	**4**	**1**	**-**	**-**	**261,439**
Recoveries from financial assets subject to write-off	-	3,609	-	-	-	3,609	-	-	-	-	-	-	-	-	-	3,609
Write-offs recorded directly in the income statement	-	(42,188)	-	-	(630)	(41,558)	-	-	-	-	-	-	-	-	-	(43,363)

A.1.3 Prudential consolidation – Financial assets, commitments to disburse funds and financial guarantees given: transfers between the various stages of credit risk (gross and nominal values)

Portofolios/risk stages		Gross exposure/nominal value					
		Transfers between first stage and second stage		Transfers between second stage to thirth stage		Transfer between first stage and thirth stage	
		From first to second stage	From second stage to first stage	From second to third stage	From thirth to second stage	From first to thirth stage	From thirth to first stage
1. Financial assets valued at amortized cost		178,910	52,678	33,053	4,093	119,711	6,884
2. Financial assets valued at fair value with an impact on overall profitability		-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		-	-	-	-	-	-
Total	**31/12/2024**	**178,910**	**52,678**	**33,053**	**4,093**	**119,711**	**6,884**
Total	**31/12/2023**	**75,306**	**56,805**	**20,880**	**3,508**	**80,336**	**5,921**

A.1.4 Prudential consolidation – On- and off-balance sheet credit exposures to banks: gross and net values

Type of exposure/amounts	Gross exposures					otal value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
A.1 On demand	1,212,126	1,212,126	-	-	-	-	-	-	-	-	1,212,126	-
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,212,126	1,212,126	-	X	-	-	-	-	X	-	1,212,126	-
A.2 Others	23,513	23,513	-	-	-	-	-	-	-	-	23,513	-
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non performing past due	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	23,513	23,513	-	X	-	-	-	-	X	-	23,513	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total (A)	**1,235,639**	**1,235,639**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,235,639**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	33,955	33,955	-	X	-	-	-	-	X	-	33,955	-
Total (B)	**33,955**	**33,955**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**33,955**	**-**
Total (A+B)	**1,269,594**	**1,269,594**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,269,594**	**-**

A.1.5 Prudential consolidation – On- and off-balance sheet credit exposures to customers: gross and net values

Type of exposure/Amounts	Gross exposures					otal value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
a) Bad exposures	44,942	X	-	44,942	-	39,152	X	-	39,152	-	5,790	-
- of which: forborne exposures	3,135	X	-	3,135	-	2,833	X	-	2,833	-	302	-
b) Unlikely to pay	67,469	X	-	67,469	-	35,220	X	-	35,220	-	32,248	-
- of which: forborne exposures	15,577	X	-	15,577	-	9,297	X	-	9,297	-	6,280	-
c) Non performing past due	179,533	X	-	179,533	-	104,037	X	-	104,037	-	75,496	-
- of which: forborne exposures	13,591	X	-	13,591	-	9,792	X	-	9,792	-	3,799	-
d) Performing past due exposures	169,670	73,122	96,548	X	-	28,287	2,663	25,624	X	-	141,383	-
- of which: forborne exposures	3,208	-	3,208	X	-	735	-	735	X	-	2,473	-
e) Other performing exposures	15,487,917	15,161,930	325,987	X	-	54,738	45,898	8,840	X	-	15,433,178	-
- of which: forborne exposures	21,001	-	21,001	X	-	1,730	-	1,730	X	-	19,271	-
Total (A)	**15,949,530**	**15,235,052**	**422,534**	**291,943**	**-**	**261,435**	**48,561**	**34,464**	**178,409**	**-**	**15,688,095**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	75	X	-	75	-	-	X	-	-	-	75	-
b) Performing	367,156	363,075	4,081	X	-	4	4	1	X	-	367,152	-
Total (B)	**367,231**	**363,075**	**4,081**	**75**	**-**	**4**	**4**	**1**	**-**	**-**	**367,227**	**-**
Total (A+B)	**16,316,761**	**15,598,127**	**426,615**	**292,018**	**-**	**261,439**	**48,565**	**34,465**	**178,409**	**-**	**16,055,321**	**-**

The item "Off-balance sheet credit exposures" includes the amount relating to factoring transactions and the margins available on credit lines granted to customers.

A.1.6 Prudential consolidation – Cash credit exposures to banks: dynamics of gross non-performing loans

The Group does not have any exposures to banks that are subject to impairment.

A.1.6bis Prudential consolidation – Cash credit exposures to banks: dynamics of gross forborne exposures by credit quality

The Group does not have any forborne exposures to banks.

A.1.7 Prudential consolidation – Cash credit exposures to customers: dynamics of gross non-performing loans

Causals/ category	Bad Exposures	Unlikely to pay	Impaired past due exposures
A. Opening balance (gross amount)	**28,738**	**41,631**	**135,205**
- of which sold non-cancelled exposures	1,330	2,255	12,997
B. Increases	**37,519**	**52,772**	**167,695**
B.1 transfers from performing loans	9,248	28,694	130,920
B.2 entry from impaired financial assets acquired or originated	-	-	-
B.3 transfers from other impaired exposures	27,468	18,300	3,668
B.4 contractual changes without cancellations	-	-	-
B.5 other increases	803	5,778	33,108
C. Decreases	**21,315**	**26,934**	**123,367**
C.1 transfers to perfomorming loans	128	4,638	6,243
C.2 write-offs	16,522	1,436	33,437
C.3 recoveries	1,277	10,856	28,542
C.4 sales proceeds	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other impaired exposures	1	5,691	43,744
C.7 contractual changes without cancellations	-	-	-
C.8 other decreases	3,386	4,313	11,401
D. Closing balance (gross amounts)	**44,942**	**67,469**	**179,533**
- Sold but not derecognised	4,082	8,576	32,643

A.1.7bis Prudential consolidation – Cash credit exposures to customers: dynamics of gross forborne exposures by credit quality

Description/Quality	Forborne exposures impaired	Forborne exposures not impaired
A. Opening balance (gross amount)	**22,103**	**25,779**
- Sold but not derecognised	2,122	3,160
B. Increases	**26,356**	**34,880**
B.1 Transfers from performing not forborne exposures	10,928	14,611
B.2. Transfers from performing forborne exposures	4,378	X
B.3. Transfers from impaired forborne exposures	X	2,486
B.4 Transfers from impaired not forborne exposure	11,009	1,727
B.5 other increases	40	16,056
C. Decreases	**16,155**	**36,450**
C.1 Transfers to performing not forborne exposures	X	22,904
C.2 Transfers to performing forborne exposures	2,486	X
C.3 transfers to impaired exposures not forborne	X	4,378
C.4 write-offs	8,403	29
C.5 recoveries	4,152	6,271
C.6 sales proceeds	-	-
C.7 losses on disposals	-	-
C.8 other decreases	1,113	2,868
D. Closing balance (gross amounts)	**32,303**	**24,209**
- Sold but not derecognised	7,198	6,445

A.1.8 Prudential consolidation – Cash non-performing credit exposures to banks: dynamics of total write-downs

Exposures to banks are not subject to write-downs.

A.1.9 Prudential consolidation – Cash non-performing credit exposures to customers: dynamics of total write-downs

Description/Category	Bad Exposures		Unlikely to pay		Impaired Past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance overall amount of writedowns	**24,681**	**3,382**	**21,238**	**5,743**	**76,386**	**6,816**
- Sold but not derecognised	1,136	266	1,224	506	8,171	676
B. Increases	**45,820**	**3,576**	**28,225**	**8,233**	**118,871**	**13,620**
B.1 impairment losses on acquired or originated assets	-	X	-	X	-	X
B. 2 other value adjustments	26,041	2,711	15,476	7,297	111,204	12,104
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfer from other impaired exposure	17,913	824	9,762	777	6,196	1,305
B. 5 contractual changes without cancellations	-	-	-	-	-	-
B.6 other increases	1,867	41	2,986	159	1,470	211
C. Reductions	**31,349**	**4,125**	**14,242**	**4,679**	**91,219**	**10,645**
C.1 write-backs from assessments	10,567	1,517	2,765	1,989	22,127	3,846
C.2 write-backs from recoveries	192	30	966	106	2,886	209
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	18,487	2,555	3,158	804	33,919	5,243
C.5 transfers to other impaired exposures	1,672	-	6,274	1,662	25,925	1,244
C. 6 contractual changes without cancellations	-	-	-	-	-	-
C.7 other decreases	431	23	1,080	118	6,362	103
D. Rettifiche complessive finali	**39,152**	**2,833**	**35,220**	**9,297**	**104,037**	**9,792**
- Sold but not derecognised	3,334	133	4,246	2,582	20,781	1,719

A.2 Classification of exposures based on external and internal ratings

A.2.1 Prudential consolidation – Distribution of financial assets, commitments to disburse funds and financial guarantees given by external rating class (gross values)

The risk classes for external ratings indicated in this table refer to the credit rating classes of debtors/guarantors pursuant to prudent regulations. The Group uses the standardised approach according to the risk mapping provided by the rating company S&P Global Ratings for exposures to companies and by Fitch Ratings for exposures to central administrations, central banks and supervised intermediaries.

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Attività finanziarie valutate al costo ammortizzato	**4,519**	**-**	**407**	**-**	**-**	**-**	**13,928,684**	**13,933,610**
- First stage	4,519	-	407	-	-	-	13,295,461	13,300,387
- Second stage	-	-	-	-	-	-	344,694	344,694
- Third stage	-	-	-	-	-	-	286,293	286,293
- Purchased or originated impaired	-	-	-	-	-	-	2,237	2,237
B. Financial assets valued at fair value with impact on overall profitability	**-**	**-**	**-**	**-**	**-**	**-**	**2,039,433**	**2,039,433**
- First stage	-	-	-	-	-	-	1,958,178	1,958,178
- Second stage	-	-	-	-	-	-	77,840	77,840
- Third stage	-	-	-	-	-	-	3,414	3,414
- Purchased or originated impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**4,519**	**-**	**407**	**-**	**-**	**-**	**15,968,117**	**15,973,042**
D. Commitments and financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**	**189,066**	**189,066**
- First stage	-	-	-	-	-	-	189,062	189,062
- Second stage	-	-	-	-	-	-	1	1
- Third stage	-	-	-	-	-	-	3	3
- Impaired acquisiti e/o originati/e	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**189,066**	**189,066**
Total (A+B+C+D)	**4,519**	**-**	**407**	**-**	**-**	**-**	**16,157,182**	**16,162,108**

The related ECAI tables for reconciliation between ratings and creditworthiness classes for the respective durations are provided below:

	Long-term ECAI	
	Fitch Ratings	S&P Global Ratings
Credit rating	Central Administrations and central banks	Company and other entities
1	from AAA to AA-	from AAA to AA-
2	from A+ to A-	from A+ to A-
3	from BBB+ to BBB-	from BBB+ to BBB-
4	from BB+ to BB-	from BB+ to BB-
5	from B+ to B-	from B+ to B-
6	CCC+ and lower	CCC+ and lower

	Short-term ECAI	
	Fitch Ratings	S&P Global Ratings
Credit rating	Central Administrations and central banks	Company and other entities
1	N/a	A-1+, A-1
2	N/a	A-2
3	N/a	A-3
from 4 to 6	N/a	lower A-3

A.2.2 Prudential consolidation – Distribution of financial assets, commitments to disburse funds and financial guarantees given by internal rating class (gross values)

This table has not been prepared because the internal ratings are not currently used in the calculation of capital requirements for the management of credit risk.

A.3 Distribution of guaranteed credit exposures by type of guarantee

A.3.1 Prudential consolidation – On- and off-balance sheet guaranteed credit exposures to banks

The Group has no guaranteed credit exposures to banks.

	Gross exposure	Net exposures	Collaterals (1)				Personal guarantees (2)	
			(1)				(2)	
							Credit derivatives	
								Other derivatives
			Property - mortgages	Property - Lease loans	Securities	Other	CLN	Central counterparties
1. Credit exposures for cash:	**3,246**	**3,246**	**-**	**-**	**-**	**3,256**	**-**	**-**
1.1 totally secured	3,246	3,246	-	-	-	**3,256**	-	-
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Off-balance sheet exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

	Personal guarantees (2)							Total (1)+(2)
	(2)							
	Credit derivatives			Signature loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	General governements	Banks	Other financial companies	Other entities	
1. Credit exposures for cash:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,256**
1.1 totally secured	-	-	-	-	-	-	-	3,256
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. Off-balance sheet exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

A.3.2 Prudential consolidation – On- and off-balance sheet guaranteed credit exposures to customers

	Gross exposure	Net exposures	Collaterals (1)				Guarantees (2)	
							Credit derivatives	
			Property, Mortgages	Property - Lease loans	Securities	Other assets	CLN	Other derivatives
								Central counterparties
1. Guaranteed cash loans:	**2,399,402**	**2,379,019**	**-**	**-**	**-**	**1,130,906**	**-**	**-**
1.1 totally secured	1,585,667	1,566,603	-	-	-	1,110,928	-	-
- of which: impaired	31,983	18,365	-	-	-	15,389	-	-
1.2 partially secured	813,735	812,416	-	-	-	19,978	-	-
- of which: impaired	1,228	317	-	-	-	95	-	-
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

	Guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	public administrations	Banks	Other financial companies	Other entities	
1. Guaranteed cash loans:	**-**	**-**	**-**	**1,084**	**368,527**	**127,468**	**134,787**	**1,762,772**
1.1 totally secured	-	-	-	337	215,954	124,830	114,460	1,566,509
- of which: impaired	-	-	-	-	1,036	882	1,059	18,365
1.2 partially secured	-	-	-	747	152,573	2,638	20,327	196,263
- of which: impaired	-	-	-	-	11	20	135	261
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

A.4 Prudential consolidation – Financial and non-financial assets obtained through the enforcement of guarantees received

The Group does not have any financial assets obtained through the enforcement of guarantees.

B. Distribution and concentration of credit exposures

B.1 Prudential consolidation – Distribution by sector of on- and off-balance sheet credit exposures to customers

Exposures/Counterparts	Public administration		Financial companies		Financial companies(of which: insurance companies)		Non-financial companies		Families	
	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures										
A.1 Bad Exposures	-	-	13	82	-	-	542	5,815	5,235	33,254
- of wich: forborne exposures	-	-	-	-	-	-	31	621	271	2,212
A.2 Unlikely to pay	1,226	138	5	7	-	-	5,249	3,771	25,769	31,305
- of wich: forborne exposures	-	-	5	7	-	-	385	710	5,890	8,580
A.3 Impaired past due exposures	2,253	372	46	52	3	-	18,072	12,032	55,124	91,581
- of wich: forborne exposures	-	-	-	-	-	-	134	326	3,665	9,466
A.4 Not impaired exposures	302,836	2	15,545	67	2	-	4,174,302	8,355	11,081,878	74,602
- of wich: forborne exposures	-	-	39	1	-	-	2,082	53	19,622	2,411
Total (A)	**306,315**	**512**	**15,609**	**208**	**5**	**-**	**4,198,165**	**29,973**	**11,168,006**	**230,742**
B. Off-balance sheet credit exposures										
B.1 Deteriorated exposures	-	-	-	-	-	-	71	-	3	-
B.2 Non-deteriored exposures	861	-	353	-	-	-	363,902	-	2,035	4
Total (B)	**861**	**-**	**353**	**-**	**-**	**-**	**363,974**	**-**	**2,039**	**4**
Totale (A+B) 31/12/2024	**307,175**	**512**	**15,962**	**208**	**5**	**-**	**4,562,139**	**29,973**	**11,170,044**	**230,747**
Totale (A+B) 31/12/2023	**457,301**	**491**	**13,658**	**213**	**5**	**-**	**4,090,898**	**22,871**	**9,695,388**	**163,680**

The above table shows the cash positions with customers by sector. It shows the distinct prevalence of exposures to retail customers.

B.2 Prudential consolidation – Territorial distribution of on- and off-balance sheet credit exposures to customers

Exposures / Geographic area		North West Italy		North East Italy		Italian Centre		South Italy and Islands	
		Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures									
A.1 Bad Exposures		1,393	9,230	774	5,011	952	7,576	2,665	17,242
A.2 Unlikely to pay		6,541	8,689	3,156	4,318	6,582	7,484	15,662	14,663
A.3 Impaired past due exposures		17,880	27,434	11,196	14,513	12,704	18,962	26,578	38,553
A.4 Not impaired exposures		4,214,964	22,388	2,749,820	12,961	3,776,030	17,782	4,596,416	27,838
Total (A)		**4,240,778**	**67,742**	**2,764,946**	**36,803**	**3,796,267**	**51,804**	**4,641,321**	**98,297**
B. Off-balance sheet credit exposures									
B. 1 Non-performing exposures		-	-	1	-	2	-	73	-
B. 2 Performing exposures		214,477	4	61,341	-	51,431	-	39,903	1
Total (B)		**214,477**	**4**	**61,341**	**-**	**51,432**	**-**	**39,976**	**1**
Total (A+B)	**31/12/2024**	**4,455,255**	**67,746**	**2,826,288**	**36,803**	**3,847,699**	**51,804**	**4,681,297**	**98,297**
Total (A+B)	**31/12/2023**	**2,266,089**	**40,912**	**1,111,152**	**21,066**	**1,867,396**	**28,378**	**2,281,832**	**58,141**

The Group has exposures almost exclusively to Italian customers; the geographical breakdown used in the table is taken from the instructions issued by the Bank of Italy and is consistent with the allocation used for regulatory reporting.

B.3 Prudential consolidation – Territorial distribution of on- and off-balance sheet credit exposures to banks

Exposures / Geographical Area		Italy		Other european countries		United States		Asia		Rest of the world	
		Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs
A. Balance sheet credit exposures											
A.1 Bad Exposures		-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay		-	-	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures		-	-	-	-	-	-	-	-	-	-
A.4 Not impaired exposures		1,201,587	-	34,052	-	-	-	-	-	-	-
Total (A)		**1.201.587**	**-**	**34.052**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures											
B.1 Deteriored exposures		-	-	-	-	-	-	-	-	-	-
B.2 Non-deteriored exposures		243	-	33,712	-	-	-	-	-	-	-
Total (B)		**243**	**-**	**33.712**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**31/12/2024**	**1,201,831**	**-**	**67,764**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**31/12/2023**	**895,650**	**-**	**162,398**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

This table contains, for cash exposures to residents, the positive balance of current accounts with credit institutions, while for exposures to foreigners, the balance is made up primarily of transactions with the Parent Company.

B.4 Large exposures

	31/12/2024
Number	4
Weighted value	567,513
Book value	2,181,317

At the balance sheet date there were four counterparties that could be classified as large exposures:

- Banco Santander S.A.;
- Bank of Italy;
- Ministry of the Economy and Finance (MEF);
- SAIC Motor Italy S.r.l.

C. Securitisation transactions

Qualitative information

Strategy and characteristics of securitisation transactions

The Group uses securitisation transactions in order to broaden the diversification of funds collected by optimising its cost.

In this context, the roles covered are usually the following:

- Santander Consumer Bank/Stellantis Financial Services Italia: Originator, Seller and Servicer;
- Golden Bar (Securitisation) S.r.l./ Auto ABS Italian Stella Loans S.r.l.: Issuer.

The transactions may have a "revolving" structure, if the possibility of transferring additional portfolios is provided for, or an "amortising" structure, if this option has not been contractually provided for. Consequently, the collections deriving from the securitised loans are used to finance the purchase of additional loans during the revolving period or to repay the securities in the amortising period.

The senior classes usually have a dual rating in order to be eligible for transactions at the Central Bank.

Securitisation transactions

In addition to the existing transaction, in 2024, three securitisation transactions with the placement of securities with third-party investors were finalised.

Golden Bar 2024-1

The Golden Bar 2024-1 transaction, with a value of Euro 1,010 million and legal maturity in 2043, was concluded through the sale at par value of a portfolio of performing loans, made up of car loans originating from Santander Consumer Bank S.p.A. and personal loans, to the special purpose vehicle Golden Bar (Securitisation) S.r.l..

This securitisation, which envisages a 3-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the vehicle company was financed through the issue of five classes of securities, summarised below:

- Class A senior securities for Euro 820 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these classes also obtained eligibility care of the ECB;
- Class B mezzanine securities for Euro 75 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class C mezzanine securities for Euro 105 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;

- Class D mezzanine securities for Euro 10 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class Z junior securities of Euro 30 million, without rating and fully subscribed by the Originator.

The interest rate of the Senior securities was fixed at a level equal to the Euribor 3 month plus a spread of 83 bps (with a zero-coupon floor).

Within the scope of the same transaction, the special purpose vehicle concluded an Interest Rate Swap to hedge the interest rate risk of the Senior class and of the B and C classes.

Through the sale of the A-E notes to third parties, the Bank was able to obtain the SRT (Significant Risk Transfer) of the securitised portfolio, benefiting from a saving of RWAs. However, it should be noted that, despite the transfer of the portfolio risk, the Bank has assessed the non-derecognition in the accounts of the assets and, therefore, the assets are maintained in the financial statements of the Originator.

In particular, the SRT must be constantly monitored also during the duration of the transaction, in order to verify that the criteria envisaged by the regulations are observed, including the maintenance on a continuous basis of a significant net economic interest (risk retention) in the securitisation of no less than 5%. In the structure perfected by the Bank, the risk retention obligation is satisfied by the originator by maintaining randomly selected exposures, equivalent to a percentage of no less than 5% of the face value of the securitised exposures, when such non-securitised exposures would have otherwise been securitised in the securitisation transaction, pursuant to article 6(3)(c) of EU Regulation no. 2402/2017 (Random selection).

<u>Auto Abs Italian Stella Loans 2024-1</u>

The Auto Abs Italian Stella Loans 2024-1 transaction, worth Euro 1,200 million, was finalised through the transfer at par of a portfolio of performing loans consisting of car loans and personal loans from Stellantis Financial Service Italia S.p.A. to the special purpose vehicle Auto Abs Italian Stella Loans 2024-1 S.r.l..

This securitisation, which envisages a 6-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the vehicle company was financed through the issue of five classes of securities, summarised below:

- Class A senior securities for Euro 1,062 million, listed on the Luxembourg Stock Exchange and fully subscribed by third party counterparts; these classes also obtained eligibility care of the ECB;
- Class B mezzanine securities for Euro 78 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class C mezzanine securities for Euro 34.8 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class D mezzanine securities for Euro 25.2 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class E mezzanine securities for Euro 13.2 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class Z junior securities, without rating and fully subscribed by the Originator.

Through the sale of the A-E notes to third parties, the company was able to obtain the Significant Risk Transfer (SRT) of the securitised portfolio, benefiting from a saving of RWAs. However, it should be noted that, despite the transfer of the portfolio risk, the Bank has assessed the non-derecognition in the accounts of the assets and, therefore, the assets are maintained in the financial statements of the Originator.

In particular, the SRT must be constantly monitored also during the duration of the transaction, in order to verify that the criteria envisaged by the regulations are observed, including the maintenance on a continuous basis of a significant net economic interest (risk retention) in the securitisation of no less than 5%. In the structure perfected by the Bank, the risk retention obligation is satisfied by the originator by maintaining randomly selected exposures, equivalent to a percentage of no less than 5% of the face value of the securitised exposures, when such non-securitised exposures would have otherwise been securitised in the securitisation transaction, pursuant to article 6(3)(c) of EU Regulation no. 2402/2017 (Random selection).

Auto Abs Italian Stella Loans 2024-2 S.r.l.

The Auto Abs Italian Stella Loans 2024-2 transaction, worth Euro 800 million, was finalised through the transfer at par of a portfolio of performing loans consisting of car loans and personal loans from Stellantis Financial Service Italia S.p.A. to the special purpose vehicle Auto Abs Italian Stella Loans 2024-2 S.r.l..

This securitisation, which envisages a 6-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the vehicle company was financed through the issue of five classes of securities, summarised below:

- Class A senior securities for Euro 708 million, listed on the Luxembourg Stock Exchange and fully subscribed by third party counterparts; these classes also obtained eligibility care of the ECB;
- Class B mezzanine securities for Euro 52 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class C mezzanine securities for Euro 23.2 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class D mezzanine securities for Euro 16.8 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class E mezzanine securities for Euro 8 million, listed on the Luxembourg Stock Exchange and fully subscribed by third parties;
- Class Z junior securities, without rating and fully subscribed by the Originator.

Through the sale of the A-E notes to third parties, the company was able to obtain the Significant Risk Transfer (SRT) of the securitised portfolio, benefiting from a saving of RWAs. However, it should be noted that, despite the transfer of the portfolio risk, the Bank has assessed the non-derecognition in the accounts of the assets and, therefore, the assets are maintained in the financial statements of the Originator.

In particular, the SRT must be constantly monitored also during the duration of the transaction, in order to verify that the criteria envisaged by the regulations are observed, including the maintenance on a continuous basis of a significant net economic interest (risk retention) in the securitisation of no less than 5%. In the structure perfected by the Bank, the risk retention obligation is satisfied by the originator by maintaining randomly selected exposures, equivalent to a percentage of no less than 5% of the face value of the securitised exposures, when such non-securitised exposures would have otherwise been securitised in the securitisation transaction, pursuant to article 6(3)(c) of EU Regulation no. 2402/2017 (Random selection).

Transactions closed during the year

During 2024, the Golden Bar 2019-1, Auto ABS Italian Rainbow Loans and Auto ABS Italian Balloon 2019-1 transactions were extinguished as a result of the exercise of the respective buyback rights (so-called "clean-up call") of the portfolio by the Originator Companies (Santander Consumer Bank for the first transaction and Stellantis Financial Services Italia for the remainder).

Transactions outstanding as at the reporting date

With regard to securitised financial assets, as at the end of 2024, the Bank has seven performing transactions (Golden Bar 2021-1, Golden Bar 2023-1, Golden Bar 2023-2, e Golden Bar 2024-1, Auto Abs Italian Stella Loans 2023-1 S.r.l., Auto Abs Italian Stella Loans 2024-1 S.r.l. and Auto Abs Italian Stella Loans 2024-2 S.r.l.) outstanding as a result of the above.

	Assets held by the SPE	Senior and Mezzanine Securities subscribed	Junior Securities subscribed	Cash Reserve	Assets held by the Group	Type of collateral	Distribution of collateral by geographical area	Average maturity of the collateral	Rating of the collateral
Golden Bar 2021-1	189,614	195,882	100	5,000	13,649,279	n.a.	n.a.	n.a.	n.a.
Golden Bar 2023-1	588,663	450,000	158,109	7,615		n.a.	n.a.	n.a.	n.a.
Golden Bar 2023-2	972,690	1,000,000	100	14,023		n.a.	n.a.	n.a.	n.a.
Golden Bar 2024-1	968,332	1,001,795	30	10,016		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella Loans 2023	735,304	90,000	1	28,934		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella Loans 2024 - Serie 1	1,172,407	1,200,000	1	40,195		n.a.	n.a.	n.a.	n.a.
Auto ABS Italian Stella Loans 2024 - Serie 2	779,241	808,000	2,500	36,404		n.a.	n.a.	n.a.	n.a.

Consequently, in accordance with international accounting standards, these securitised portfolios have not been derecognised as there were not the requisites for derecognition.

The 2021-1 Golden Bar transaction continued to repay the non-Junior classes. In addition, the repayment of class F of the Golden Bar 2023-2 took place. To enhance the transparency of disclosures, below is a breakdown of the excess spread accrued within the scope of the transaction in place, into the various components that generated it.

Breakdown of the excess spread accrued during the year	Golden Bar 2019-1	Golden Bar 2021-1	Golden Bar 2023-1	Golden Bar 2023-2	Golden Bar 2024-1	Auto ABS Italian Stella Loans 2023	Auto ABS Italian Stella Loans 2024 - 1	Auto ABS Italian Stella Loans 2024 -2
Interest expense on securities issued	(3,646)	(11,164)	(26,471)	(56,279)	(12,447)	(48,296)	(29,689)	(2,941)
Commisions and fees for the operation	(131)	(442)	(785)	(1,204)	(442)	(671)	(533)	(60)
- for servicing	(107)	(401)	(755)	(1,168)	(412)	(653)	(524)	(59)
- for other services	(24)	(41)	(30)	(36)	(30)	(17)	(9)	0
Other charges	(1,246)	(12,047)	(14,687)	(5,569)	(8,792)	685	(16,079)	(355)
Interest generated by the securitised assets	1,635	15,102	49,875	66,908	25,892	58,516	45,849	8,505
Other revenues	8,689	16,422	7,870	12,219	3,859	2,301	2,317	312
Total	**5,301**	**7,871**	**15,802**	**16,075**	**8,070**	**12,536**	**1,865**	**5,461**

Synthetic securitisation transactions

With reference to synthetic securitisation transactions, in 2023 Stellantis Financial Service Italia S.p.A. I carried out a transaction on the wholesale portfolio, with a size of Euro 812.5 million.

The transaction involves a 36-month replenishment period in which the repaid reference portfolio of the guarantee can be continuously replaced by new underlying elements in line with the eligibility criteria envisaged by the insurance policy. Therefore, the aforementioned synthetic securitisation was still active in 2024 with the effects described above.

The transaction is structured with a tranching in four sections where the risk of the junior, mezzanine junior and mezzanine senior tranche has been totally transferred to four international insurance companies via an insurance policy agreement.

Through the personal protection of third parties, the company was able to obtain the Significant Risk Transfer (SRT) of the securitised portfolio, benefiting from a saving of RWAs. However, it should be noted that, despite the transfer of the portfolio risk, the Bank has assessed the non-derecognition in the accounts of the assets and, therefore, the assets are maintained in the financial statements of the Originator.

In particular, the SRT must be constantly monitored also during the duration of the transaction, in order to verify that the criteria envisaged by the regulations are observed, including the maintenance on a continuous basis of a significant net economic interest (risk retention) in the securitisation of no less than 5%. In the structure finalised by the Bank, the risk retention obligation is satisfied by the Originator by maintaining at least 5% of the nominal value of each of the securitised exposures pursuant to article 5.1 (a) of EU Regulation no. 625/2014 and article 6(3)(a) of EU Regulation no. 2402/2017 (Vertical slice or Vertical retention).

Quantitative information

C.1 Prudential consolidation – Exposures arising from the main "proprietary" securitisation transactions broken down by type of securitised asset and by type of exposure

Type of securitized assets / Exposures	Cash exposure						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries
A. Derecognised in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derecognised in part	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Not derecognised	-	-	-	-	148,812	(3,466)	-	-	-	-	-	-	-	-	-	-	-	-
Golden Bar 2023-1	0	0			138,663	(3,513)												
Auto ABS Italian Loans 2023	0	0			10,148	47												

C.2 Prudential consolidation – Exposures arising from the main "third-party" securitisation transactions broken down by type of securitised asset and by type of exposure

The Group does not have any "third-party" securitisation transactions.

C.3 Prudential consolidation – Interests in special purpose vehicles (SPVs) created for securitisation

Securitization name - Company name	Head office	Consolidation	Assets			Liabilities		
			Credits	Debt securities	Others	Senior	Mezzanine	Junior
Golden Bar 2021-1	0	NO	189,614	-	36,572	176,882	19,001	100
Golden Bar 2023-1	0	NO	588,663	-	36,532	450,000	-	158,109
Golden Bar 2023-2	0	NO	972,690	-	54,961	830,000	170,000	100
Golden Bar 2024-1	0	NO	968,332	-	48,070	820,000	181,795	30
Auto ABS Italian Stella Loans 2023	0	NO	735,304	-	31,917	660,000	90,000	1
Auto ABS Italian Stella Loans 2024 - Serie 1	0	NO	1,172,407	-	45,334	1,062,000	138,000	1
Auto ABS Italian Stella Loans 2024 - Serie 2	0	NO	779,241	-	40,641	708,000	100,000	2,500

C.4 Prudential consolidation – Non-consolidated special purpose vehicles (SPVs) created for securitisation

Please refer to the matters described in these notes, Part A, Section 3 "Scope of consolidation and consolidation method".

C.5 Prudential consolidation – Servicer activities – proprietary securitisations: collections of securitised loans and repayments of securities issued by the special purpose vehicle for securitisation

The Group does not carry out servicer activities on securitisation transactions relating to the divested business removed from the financial statements.

C.6 Prudential consolidation – Consolidated special purpose vehicles (SPVs) created for securitisation

Name society vehicle and head office	Golden Bar 2019-1	Golden Bar 2021-1	Golden Bar 2023-1	Golden Bar 2023-2	Golden Bar 2024-1	Auto ABS Italian Stella Loans 2023	Auto ABS Italian Stella Loans 2024 - Serie 1	Auto ABS Italian Stella Loans 2024 - Serie 2
A. Securitized assets	**-**	**189,614**	**588,663**	**972,690**	**968,332**	**735,304**	**1,172,407**	**779,241**
A.1 Credits	-	189,614	588,663	972,690	968,332	735,304	1,172,407	779,241
A.2 Securities	-	-	-	-	-	-	-	-
A.3 Others	-	-	-	-	-	-	-	-
B. Investments of deriving from the credit management	**-**	**26,463**	**35,336**	**53,278**	**47,133**	**28,934**	**195**	**36,404**
B.1 Debt securities	-	-	-	-	-	-	-	-
B.2 Equity securities	-	-	-	-	-	-	-	-
B.3 Availability current account	-	26,463	35,336	53,278	47,133	28,934	40,195	36,404
C. Other assets	**-**	**10,109**	**1,196**	**1,684**	**937**	**2,983**	**5,139**	**4,237**
C.1 Transitory receipts	-	96	323	539	-	-	-	-
C.2 Other assets	-	10,012	873	1,144	937	2,983	5,139	4,237
D. Securities issued	**-**	**195,982**	**608,109**	**1,000,100**	**1,001,825**	**750,001**	**1,200,001**	**810,500**
D.1 Senior	-	176,882	450,000	830,000	820,000	660,000	1,062,000	708,000
D.2 Mezzanine	-	19,001	-	170,000	181,795	90,000	138,000	100,000
D.3 Junior	-	100	158,109	100	30	1	1	2,500
E. Loans received	**-**	**-**	**-**	**-**	**750**	**-**	**-**	**-**
F. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
G. Other liabilities	**-**	**30,204**	**7,086**	**27,552**	**13,826**	**17,220**	**17,740**	**9,381**
G.1 Accrued interest on securities	-	3	16,227	21,372	7,839	433	246	2,941
G.2 Other liabilities	-	30,201	860	6,180	5,987	16,787	17,494	6,440
H. Interest expenses on securities issued	**8,947**	**19,035**	**42,273**	**72,354**	**20,517**	**60,832**	**31,554**	**8,403**
I. Fees and commissions related to the transaction	**130**	**443**	**785**	**1,205**	**442**	**671**	**533**	**60**
I.1 Servicing Service	107	401	755	1,168	412	653	524	59
I.2 Other Servicing	24	41	30	36	30	17	9	-
L. Other charges	**1,248**	**12,046**	**14,688**	**5,568**	**8,792**	**(685)**	**16,079**	**355**
L.1 Other interest expenses	-	-	-	-	-	-	-	-
L.2 Other charges	1,248	12,046	1,177	452	85	(3,856)	12,265	(1,376)
L.3 Value adjustments on loans	-	-	13,510	5,116	8,707	3,171	3,814	1,731
M. Interest income on securitized assets	**1,635**	**15,102**	**49,875**	**66,908**	**25,892**	**58,516**	**45,849**	**8,505**
N. Other revenues	**8,689**	**16,422**	**7,870**	**12,219**	**3,859**	**2,301**	**2,317**	**312**
N.1 Additional returns	6,435	15,980	7,870	12,219	3,859	2,301	317	312
N.2 Additional returns	2,254	442	-	-	-	-		

D. Disposal transactions

A. Financial assets sold but not fully derecognised

Qualitative information

With reference to the assets sold and not fully derecognised, please refer to the disclosure illustrated in Point C "Securitisation transactions".

Quantitative information

D.1 Prudential consolidation – Financial assets sold and fully booked, and associated financial liabilities: book values

	Financial assets sold as a whole				Associated financial liabilities		
	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement	of which Non-performing	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**5,466,980**	**5,466,980**	**-**	**16,940**	**5,410,075**	**5,410,075**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	5,466,980	5,466,980	-	16,940	5,410,075	5,410,075	-
Total 31/12/2024	**5,466,980**	**5,466,980**	**-**	**16,940**	**5,410,075**	**5,410,075**	**-**
Total 31/12/2023	**2,713,072**	**2,713,072**	**-**	**6,051**	**2,640,853**	**2,640,853**	**-**

Financial assets measured at amortised cost pertain to securitisation transactions with securities subscribed by traditional third-party investors (Golden Bar 2023-1) and with derecognition for solely prudent purposes (Golden Bar 2021-1, Golden Bar 2023-2, Auto ABS Italian Stella Loans 2023, 2024-1 and 2024-2).

D.2 Prudential consolidation – Financial assets sold and partially booked, and associated financial liabilities: book values

The Group does not have any financial assets sold partially booked.

D.3 Prudential consolidation – Transfers with liabilities that have recourse only against the assets sold and not fully derecognised: fair value

	Fully booked	Partially booked	Total	
			31/12/2024	31/12/2023
A. Financial assets held for trading	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. Other financial assets that are duly measured at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. Financial assets measured at fair value with an impact on overall profitability	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
E. Financial assets measured at amortized cost (fair value)	**5,365,216**	**-**	**5,365,216**	**2,597,823**
1. Debt securities	-	-	-	-
2. Loans	5,365,216	-	5,365,216	2,597,823
Total financial assets	**5,365,216**	**-**	**5,365,216**	**2,597,823**
Total associated financial liabilities	**5,405,529**	**-**	**X**	**X**
Valore netto 31/12/2024	**(40,313)**	**-**	**(40,313)**	**X**
Valore netto 31/12/2023	**76,214**	**-**	**X**	**(76,214)**

B. Financial assets sold and fully derecognised with recognition of the continued involvement

The Group has not been party to any sale transactions with recognition of continued involvement.

C. Financial assets sold and fully derecognised

The Group has not carried out any full derecognition transactions.

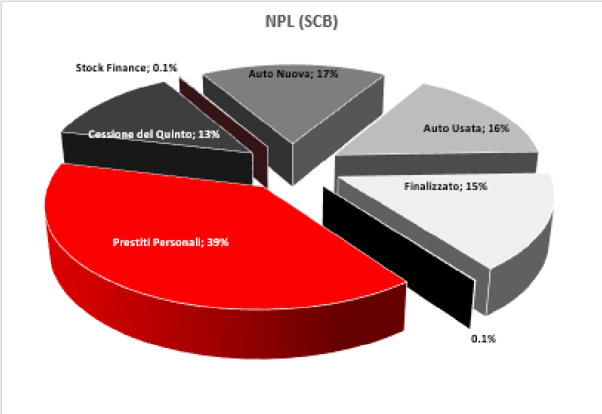
D. Covered bond transactions

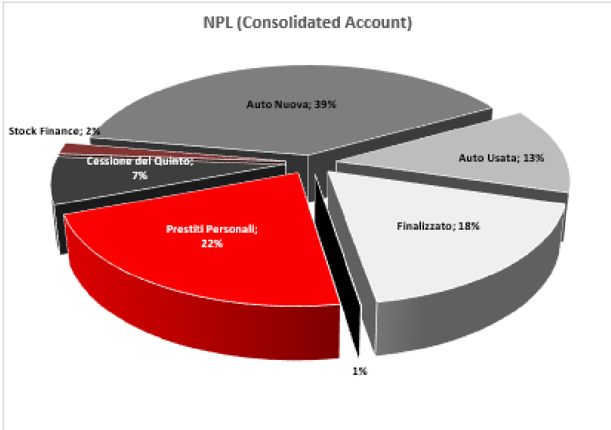
The Group has not carried out any covered bond transactions.

E. Prudential consolidation – models for the measurement of credit risk

The balance at risk by product of the "dossiers in delinquency" (i.e. that have amounts past due by more than ninety days) is monitored on a monthly basis. The following chart summarises the breakdown of the variable just described at December 2024.

NPL (Consolidated Account)

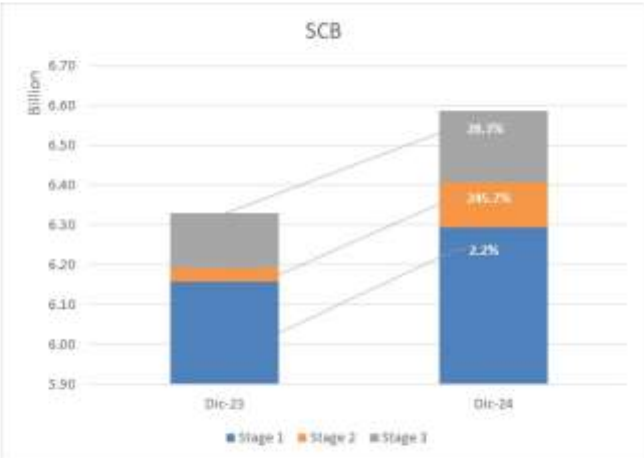


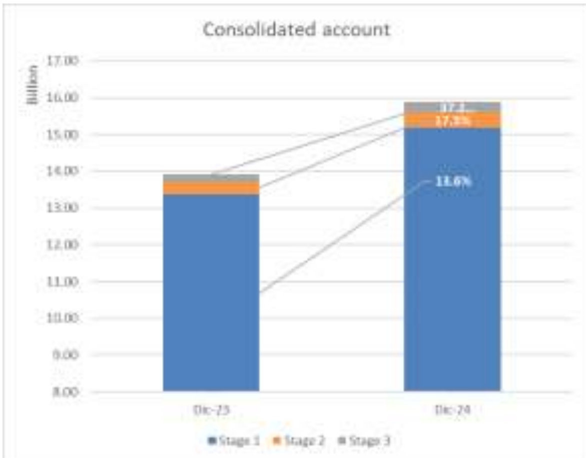


The stress tests carried out for ICAAP purposes, calculated on the basis of the PD and LGD parameters, both in the baseline and stress scenario, confirmed the soundness of the strategies adopted within the Group.

Credit risk is assessed, among other things, by:

- Vintage analysis. This indicator is the ratio of a generation of loans that in any month have been classified as "bad" to the total of the same loan generation. This is a tool that allows you to make comparisons between different production performances (over the life of the product), according to their segmentation. The comparison is between products with a similar production date, so you can identify any deviations from past performances. Usually, graphic representations are used to keep track of the trend, such as the one that shows the relationship between age and the loss rate;
- Roll rate (trend analysis). It represents the trend of loans observed over a period of time between T0 and T1, with the determination of any status change at T1 of the loans, which at the start of the observation were included in a certain past due band. This indicator is used for roll rate (trend analysis). It represents the trend of loans observed over a period of time between T0 and T1, with the determination of any status change at T1 of the loans, which at the start of the observation were included in a certain past due band. This indicator is used to identify the roll rate of the loan portfolio;





- Polynomial models are used (confidence/R2 ~ 95%) for stress test purposes, also to take account of the trend in default rates with a non-linear trend at the same date of the first instalment. In particular, this tool is used to define the migration of dossiers from one late payment category to another, reflecting a deterioration/improvement in the quality of the asset portfolio;
- The portfolio analysis includes a set of metrics used to carry out a monthly assessment of performance of the portfolio, the stock of dossiers in default and the degree of coverage;
- Assessment of the PD and LGD supports the analysis of the performance of the portfolio and the degree of recovery in the event of default.

1.2 Market risk

1.2.1 Interest rate risk and price risk – trading portfolio reported for supervisory purposes

This is not applicable to the Group.

1.2.2 Interest rate risk and price risk – banking book

Qualitative information

A. General aspects, management and measurement of interest rate risk and price risk

The Group is exposed to fair value interest rate risk (risk that the value of assets and liabilities issued at fixed rates changes as a consequence of a fluctuation in the interest rate curve) and cash flow risk (risk that interest-related cash flow changes as a consequence of a fluctuation in the interest rate curve).

The sources of interest rate risk are mainly related to loans to customers, which are generated by the placement of consumer credit products and services (asset items) and their means of funding (liabilities and shareholders' equity items). In fact, the sector in which the Group operates is characterised by the asset mix, which is typically composed of loans granted mainly at fixed rates, whereas the funding sources are both fixed rate and floating rate. Accordingly, the main interest rate categories to which the Bank is exposed lead to repricing risk.

Interest rate risk is managed by macro-strategies shared at Group level within well defined, formalised exposure limits. Within the Parent Company and the units, according to the local structures adopted, the Finance Division manages interest rate risk in accordance with the current documentation approved by the Board of Directors. Through the Market Risk unit, the Risk Control Department has the task of monitoring market risks through the application of appropriate analysis and assessment methods.

Internal processes for the management and monitoring of interest rate risk prescribe the processing of information each month at operating level by the responsible organisational units and a critical assessment by the ALCO Committee.

Monitoring involves comparing the results of stress tests performed on sensitive assets and liabilities with the limits established by the Bank of Italy and by the related documentation.

Specific ratios are managed by the Finance Division and measured and monitored by the Risk Division within the Group units. Specific quantitative limits are set for the following risk metrics:

- Market Value of Equity Sensitivity (MVE Sens.);
- Net interest margin Sensitivity (NIM Sens.).

To mitigate the risk of fluctuations in interest rates, the Group units implement two main forms of mitigation:

- use of financial instruments;
  - derivatives: used to hedge interest rate risk (usually Interest Rate Swaps);
  - medium-term fixed rate financing: used as an alternative to derivatives, to mitigate the exposure to interest rate risk;
- operating limits consistent with the risk objectives established by the Group.

Of the various types of risk hedges that are acceptable, the units have chosen to adopt derivatives instruments according to the following methods.

Quantitative information

1. Banking book: distribution by residual term (repricing date) of financial assets and liabilities

This table is not prepared as the next section gives an analysis of the sensitivity to interest rate risk based on internal models and this analysis covers the whole of the banking book.

2. Banking book: internal models and other methodologies for analysing sensitivity

The measurement/quantification of financial risks, especially the interest rate risk, is carried out by analysing the specific synthetic indicators described below. These indicators are calculated on a monthly basis, which involves calculating a final figure on the report at the end of each month, as well as a forecast figure for the next reporting period. The Finance Department of the Parent Company is responsible for the management of interest rate risk in order to keep exposure to the risk in line with the desired positioning from month to month and in any case within the appetite thresholds defined. It carries out a second level control on the Finance operations and on the exposure to risk measured from month to month.

Sensitivity indicator "Market Value of Equity" (MVE)

This indicator is aimed at quantifying the sensitivity of the interest rate risk so that it can be monitored; in particular, it quantifies the effect of a change in the interest rate curve under various scenarios on shareholders' equity. With the implementation of the corporate tool, in addition to the standard management scenarios at +/-100bps of parallel shocks of the curve, all the scenarios required by the EBA were implemented. The following paragraph shows the results obtained by applying the scenario +/-100 basis points (parallel and intermediate shock) on which the monthly analysis and the decisions on interest rate risk are based. The measurement of interest rate risk is then carried out by assessing the impact of changes in interest rates on the value of interest-bearing assets/liabilities inclusive of derivatives (Interest Rate Swap); the sensitivity of the market value of equity is computed as the difference between the present value of all future cash flows discounted using market interest rate curves and the present value of future cash flows discounted using stressed interest rate curves.

Sensitivity indicator "Net Interest Margin" (NIM)

This indicator is aimed at quantifying and monitoring the sensitivity of the interest rate risk; in particular, it quantifies the effect of a parallel and symmetric change in the interest rate curve under various scenarios on net interest income (analysis period: 12 months). As regards interest rate shift scenarios, please see the information provided in the paragraph above.

The indicators as at 31 December 2024 are shown below:

+100 bps MM	MVE	NIM
Sensitivity	-32,5	-4,01
Limite	82,4	46,9

-100 bps MM	MVE	NIM
Sensitivity	34,6	-0,15
Limite	82,4	46,9

1.2.3 Exchange rate risk

The Group is not exposed to exchange rate risk.

1.3 Derivative instruments and hedging policies

1.3.1 Derivatives held for trading

A. Financial derivatives

A.1 Financial derivatives held for trading: period-end notional amounts

Underlying assets / Type of derivatives	Totale 31/12/2024				Totale 31/12/2023			
	Over the counter				Over the counter			
	Central Counterparts	without central counterparties		Organized markets	Central Counterparts	without central counterparties		Organized markets
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	-	10,917,526	-	-	-	4,488,321	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	10,917,526	-	-	-	4,488,321	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**10,917,526**	**-**	**-**	**-**	**4,488,321**	**-**

A.2 Financial derivatives held for trading: positive and negative gross fair value – breakdown by product

Types of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Mercati organizzati	Over the counter			Mercati organizzati
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With clearing arrangements	Without clearing arrangements			With clearing arrangements	Without clearing arrangements	
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	72,671	-	-	-	65,756	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**72,671**	**-**	**-**	**-**	**65,756**	**-**
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	74,806	-	-	-	66,802	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**74,806**	**-**	**-**	**-**	**66,802**	**-**

A.3 OTC financial derivatives held for trading: notional amounts, positive and negative gross fair value by counterparty

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	10,917,526	-	-
- positive fair value	X	72,671	-	-
- negative fair value	X	74,806	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		2,045,386	3,065,850	5,806,291	10,917,526
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivatives on currencies and gold		-	-	-	-
A.4 Financial derivatives on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**31/12/2024**	**2,045,386**	**3,065,850**	**5,806,291**	**10,917,526**
Total	**31/12/2023**	**527,340**	**3,198,362**	**762,618**	**4,488,321**

B. Credit derivatives

The Group does not have any credit derivatives at the date of the financial statements.

1.3.2 Accounting hedges

On first-time adoption of IFRS 9, the Group exercised the option envisaged by the Standard to continue to fully apply the rules of IAS 39 for all types of hedging.

Qualitative information

A. Fair value hedges

The purpose of the hedging activity is to protect the banking portfolio from changes in the fair value of loans to customers caused by changes in the interest rate curve (interest rate risk).

The Group adopts macro-fair value hedges.

As part of the macro-fair value hedge, macro-hedging is applied to a portion of fixed-rate loans to customers; for this type, in line with the "Carve-out" version of IAS 39, an open-portfolio macro-hedge model was adopted.

The main types of derivatives used are represented by plain interest rate swaps (IRS) and options on interest rates.

The derivatives are not listed on regulated markets, but traded within over the counter (OTC) circuits.

The effectiveness of the hedges is periodically measured and formalised, based on monthly predefined tests:

- Retrospective test: this is designed to assess the difference between changes in the fair value of the hedged item and those of the hedging instrument, quantifying it by means of a specific percentage (efficiency percentage).
- Forward-looking test: this is based on expectations of the future trend of the hedging relationship by identifying different scenarios for the trend in interest rate curves. In order to assess the effectiveness of the hedge, the difference between changes in the fair value of the hedged item and those of the hedging instrument have to be considered jointly for each scenario (quantifying them by means of a percentage).

The observation/effectiveness range is the one provided by IAS-IFRS for this purpose. Metrics are defined/maintained in accordance with the Spanish Parent Company's instructions.

In addition, in 2024 Santander Consumer Bank and Stellantis Financial Services Italia carried out unwinding transactions on hedging derivatives with consequent impacts on the exposure of the hedged assets. For greater details, please refer to the matters illustrated in the Consolidated report on operations - D - Other facts worth mentioning.

B. Cash flow hedges

As at 31 December 2024, there were no cash flow hedging derivatives.

C. Foreign investment hedging

The Group did not carry out any foreign investment hedging during the year.

D. Hedging instruments

The main causes of ineffectiveness of the model for verifying the effectiveness of the hedges are attributable to the following phenomena:

- misalignment between the notional value of the derivative and the hedged underlying element recognised at the time of initial designation or generated subsequently, as in the case of partial repayments of loans;
- application of different curves on the hedging derivative and the hedged item in order to test the effectiveness of fair value hedges;
- inclusion in the effectiveness test of the value of the variable leg of the hedging derivative.

The ineffectiveness of the hedge is promptly recognised for the purposes of:

- the determination of the effect on the income statement;
- the assessment of the possibility of continuing to apply hedge accounting rules.

E. Hedged items

The hedged items are a portion of fixed-rate loans to customers.

In relation to the hedged item used by the Group in the hedging strategy, the following is taken into consideration:

- the hedging relationship is defined as macro fair value hedging, i.e. valuation of the hedge taking into consideration the entire hedged item in the face of all the risks to which it is exposed and not part of it;
- the hedging instruments used are the performing loans present in the portfolio, divided into time buckets depending on the agreement maturities;
- for the purposes of evaluating the effectiveness, the economic relationship is that described in section D. Hedging instruments;
- the interest rate risk determinants, and consequent possible sources of ineffectiveness, with reference to the hedged items, are linked to changes in the fair value of loans to customers, generated by the disbursement of consumer credit products/services.

Quantitative information

A. Hedging financial derivatives

A.1 Hedging derivatives: period-end notional amounts

Underlying assets / Type of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	487,000	3,528,952	-	-	783,000	3,639,187	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	487,000	3,528,952	-	-	783,000	3,639,187	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Goods	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**487,000**	**3,528,952**	**-**	**-**	**783,000**	**3,639,187**	**-**

A.2 Hedging derivatives: positive and negative gross fair value – breakdown by product

Types of derivatives	Positive and negative fair value								Changes in value used to calculate hedge ineffectiveness	
	Total 31/12/2024				Total 31/12/2023				Total	Total
	Over the counter				Over the counter				31/12/2024	31/12/2023
		Without central counterparties				Without central counterparties				
	Central Counterparts	With clearing arrangements	Without clearing arrangements	Organized markets	Central Counterparts	With clearing arrangements	Without clearing arrangements	Organized markets		
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	1,212	8,827	-	-	14,919	78,897	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**1,212**	**8,827**	**-**	**-**	**14,919**	**78,897**	**-**	**-**	**-**
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	846	32,592	-	-	-	16,166	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**846**	**32,592**	**-**	**-**	**-**	**16,166**	**-**	**-**	**-**

A.3 OTC financial hedging derivatives: notional amounts, positive and negative gross fair value by counterparty

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	3,528,952	-	-
- positive fair value	X	8,827	-	-
- negative fair value	X	32,592	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	487,000	-	-
- positive fair value	-	1,212	-	-
- negative fair value	-	846	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC hedging derivatives: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		1,342,604	2,480,630	192,718	4,015,952
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivative contracts on currency and gold		-	-	-	-
A.3 Financial derivative on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**31/12/2024**	**1,342,604**	**2,480,630**	**192,718**	**4,015,952**
Total	**31/12/2023**	**1,680,139**	**2,569,228**	**172,820**	**4,422,187**

B. Hedging credit derivatives

The Group does not have any hedging credit derivatives at the date of the financial statements.

C. Non-derivative hedging instruments

The Group does not have any non-derivative hedging instruments at the date of the financial statements.

D. Hedged instruments

D.1 Fair value hedges

The Group has not applied the new accounting rules provided for hedge accounting in accordance with IFRS 9.

D.2 Cash flow and foreign investment hedges

The Group does not have any cash flow and foreign investment hedges.

E. Effects of hedging transactions recognised in shareholders' equity

The Group does not use hedging transactions recognised in shareholders' equity.

1.3.3 Other information on (trading and hedging) derivatives

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair value by counterparty

	Central counterparty	Banks	Other financial companies	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional amount	-	14,933,478	-	-
- positive fair value	-	73,883	-	-
- negative fair value	-	75,652	-	-
2) Equity instrument and stock index				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currency and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Goods				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
B. Credit derivatives				
1) Hedge purchase				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Hedge sale				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

1.4 Liquidity risk

Qualitative information

A. General aspects, management and measurement of liquidity risk

The liquidity risk is the risk that the Group will be unable to meet its payment commitments due to the inability to raise funds on the market (funding liquidity risk) or the inability to sell its assets (market liquidity risk).

The preparation of an adequate system of governance and management of this risk plays a fundamental role in maintaining the stability of the Group and the market, as the imbalances of an individual financial institution can have systemic repercussions. This system must be integrated into the overall system for risk management and envisage incisive controls consistent with the evolution of the reference context.

The internal liquidity risk control and management system of Santander Consumer Bank is developed within the Group's Risk Appetite Framework and in compliance with the maximum liquidity risk tolerance thresholds approved therein, which establish that the Group must maintain an adequate liquidity position in order to deal with periods of tension, including prolonged periods, on the various funding procurement markets, also through the establishment of adequate liquidity reserves represented by marketable securities that can be refinanced with Central Banks. Accordingly, it is necessary to maintain a balanced ratio between incoming sources and outgoing flows, both over the short and medium-long term. This objective is developed in the Group's document tree represented by Frameworks, Models and Policies regarding liquidity risk and approved by the Corporate Bodies.

The provisions on liquidity introduced by the European Union in June 2013 and subsequently updated, establish that banks must comply with:

- the minimum requirement for coverage of short-term liquidity (Liquidity Coverage Ratio - LCR), as set forth in article 38 of Delegated Regulation (EU) no. 2015/61 and its additions/amendments (minimum level of 100% from 1 January 2018);
- the minimum structural liquidity requirement (Net Stable Funding Ratio - NSFR), whose minimum level of 100% came into force in June 2021, following the final approval and subsequent publication in the Official Journal, which took place in May 2019, of the banking reform package containing EU Directive no. 2019/878 (so-called CRD V) and Regulation no. 2019/876 (so-called CRR II).

The internal regulations illustrate the tasks of the various company units, the rules and the series of control and management processes aimed at ensuring prudent monitoring of liquidity risk, preventing the emergence of crisis situations. Accordingly, they include procedures for identifying risk factors, measuring risk exposure and verifying compliance with limits, as well as the rules for carrying out stress tests and identifying appropriate risk-mitigation initiatives, in addition to the preparation of emergency plans and disclosure reporting to corporate bodies.

The essential principles underlying the internal liquidity risk control and management system defined by these Guidelines are:

- presence of a liquidity management policy approved by top management and clearly communicated within the institution;
- existence of an operating structure that operates within assigned limits and a control structure independent of the former;
- constant availability of adequate liquidity reserves in relation to the liquidity risk tolerance threshold chosen;
- assessment of the impact of different scenarios, including stress scenarios, on incoming and outgoing temporary flows and on the quantitative and qualitative adequacy of liquidity reserves;
- management of liquidity in a stressful situation that takes into consideration the guidelines on the governance of crisis management processes within the Liquidity Contingency Plan.

The Group's internal regulations define in detail the tasks assigned to the Corporate Bodies and delegate to senior management some important obligations such as the approval of the measurement indicators, the definition of the main assumptions underlying the stress scenarios and the composition of the warning thresholds used for the activation of contingency plans.

The Risk Department is directly responsible for second-level controls and, as an active participant in the Managerial Committees (ALCO - Asset Liability Committee), plays a primary role in the management and dissemination of information on liquidity risk, contributing to the overall improvement of awareness of the Group on the existing position. In particular, it ensures the measurement, both exact and forecast, under normal and stress conditions, of the Group's exposure to liquidity risks, verifying compliance with the limits and activating, if they are exceeded, the reporting procedures with respect to the competent Corporate Bodies and monitoring the agreed repayment actions in the event of overruns.

The Internal Audit unit assesses the functionality of the overall structure of the control system overseeing the process of measuring, managing and controlling the Group's exposure to liquidity risk and verifies the adequacy and compliance of the process with the requirements established by the regulations. The results of the audits carried out are submitted to the Corporate Bodies at least once a year.

The measurement metrics and liquidity risk mitigation tools are formalised in the internal documentation that defines the methodological structure of both short-term and structural liquidity indicators.

In line with the above, the liquidity indicators focus on short-term and long-term metrics.

With regard to the short term, the LCR aims to measure the short-term liquidity risk profile, ensuring the holding of sufficient unencumbered High Quality Liquid Assets (HQLA) that can easily and immediately be converted into liquidity in private markets to meet 30-day cash requirements in a stress scenario. To this end, the Liquidity Coverage Ratio measures the ratio between:

- the value of the stock of HQLA;
- the total net cash outflows calculated according to the scenario parameters defined by Delegated Regulation (EU) no. 2015/61.

From a medium/long-term perspective, on the other hand, the Net Stable Funding Ratio (NSFR) aims to further greater recourse to stable funding, avoiding financial imbalances related to durations. Accordingly, it establishes an "acceptable" minimum amount of funding greater than one year in relation to the needs arising from the liquidity and residual duration characteristics of assets and off-balance sheet exposures.

Main strategic guidelines

The Group follows the following strategic guidelines in terms of liquidity risk management:

- diversify its forms of funding both in terms of stabilisation of the same and the timing of the related commitments;
- rationalise the cost of funding;
- manage liquidity risk as a whole in a prudent and balanced manner.

Quantitative information

1. Distribution of financial assets and liabilities by residual maturity

Items/Time	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
A. On-balance sheet assets	**1,425,323**	**47,182**	**291,515**	**274,585**	**1,237,012**	**1,972,238**	**3,172,089**	**7,628,425**	**1,302,429**	**14,237**
A.1 Government securities	463	-	875	-	51,741	1,125	203,353	50,875	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	1,424,860	47,182	290,640	274,585	1,185,271	1,971,113	2,968,736	7,577,550	1,302,429	14,237
- Banks	1,218,125	235	14	48	506	693	1,037	972	-	14,237
- Customers	206,736	46,947	290,625	274,537	1,184,765	1,970,421	2,967,699	7,576,578	1,302,429	-
B. On-balance sheet liabilities	**939,978**	**74,364**	**23,903**	**185,242**	**874,763**	**1,320,653**	**2,391,980**	**6,949,061**	**2,944,935**	**-**
B.1 Deposits and current accounts	928,326	8,509	8,242	16,491	51,981	136,126	335,083	195,209	-	-
- Banks	29,092	-	-	-	-	-	-	-	-	-
- Customers	899,234	8,509	8,242	16,491	51,981	136,126	335,083	195,209	-	-
B.2 Debt securities	2	2	2	2	2	2	2	2	2	2
B.3 Other liabilities	2	2	2	2	2	2	2	2	2	2
C. Off-balance sheet transactions										
C.1 Physically settled financial derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Cash settled financial derivatives										
- Long positions	33,384	-	-	1,797	5,205	8,571	14,622	-	-	-
- Short positions	34,309	-	-	199	3,466	5,453	9,369	-	-	-
C.3 Deposit to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Written guarantees	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

With reference to the financial assets subject to "self-securitisation", at the end of 2024, the Group had two performing transactions in place.

Transaction	12/31/2022				
	Class	ISIN Code	Rating Moody's / DBRS	Activities	Outstanding al 31/12
Golden Bar 2022-1	A	IT0005495921	Aa3/AAL	Salary assignment, retirement assignment and delegation of payment.	436,499,318
	B	IT0005495939	A3/AH		30,225,282
	Z	IT0005495947	NR/NR		30,225,282
Auto ABS Italian Rainbow Loans S.r.l (series 2022-1)	A	IT0005491086	AAsf/AA(high)sf	Car loan	198,000,000
	Z	IT0005491094	NR / NR		32,000,000

Consequently, in accordance with international accounting standards, these securitised portfolios have not been derecognised as there were not the requisites for derecognition.

the Group did not finalise further self-securitisations during 2024, limiting itself to the management of existing transactions.

In June 2024, the Golden Bar 2020-1 transaction was ended through the buyback of the portfolio by the Originator Company.

In 2024, SFSI extinguished the Auto ABS Italian Rainbow Loans S.R.L., 2020 sub-fund and Auto ABS Italian Balloon 2019-1 S.r.l. transactions (respectively in March and September 2024), buy backing both portfolios.

1.5 Operational risk

Qualitative information

A. General aspects, management and measurement of operational risk

Operational risk is defined as the risk of incurring losses due to inadequate or dysfunctional procedures, human resources or internal systems, or to exogenous events. For the economic loss component, the operational risk also includes the following risks: legal, conduct-related, non-compliance, financial crime, IT and cyber, physical security, business continuity, financial reporting, third parties and model risks. Strategic and reputational risks are excluded.

The Group adopts a strategy for the undertaking and management of operational risks oriented towards prudent management criteria and aimed at guaranteeing solidity and business continuity over the long term. In addition, particular attention is paid to achieving an optimal balance between growth and profitability objectives and consequent risks.

On a consistent basis with these purposes, some time ago, the Group defined the overall framework for the management of operational risks, establishing rules and organisational processes for their measurement, management and control.

For supervisory purposes, the Group adopts the Standardised Approach to determine the capital requirement, including in the calculation of the consolidated capital requirement on operational risks the results deriving from the use of the Basic Method (BIA) of the subsidiaries Stellantis Financial Services Italia, Stellantis Renting Italia and TIMFin.

Governance model

An effective and efficient operational risk management framework presupposes that it is closely integrated in the decision-making processes and in the management of company operations. For this reason, the Group has chosen to directly involve in the operational risk management process (so-called Operational Risk Management) the Organisational Units (business units, central/support structures).

The operational risk governance model is developed with a view to:

- optimisation and enhancement of organisational safeguards, interrelationships and information flows between existing Organisational Units and integration of the operational risk management approach with other business models developed for specific risks (e.g. Business Continuity, IT Security, etc.);
- transparency and dissemination of the models, methods and criteria for analysis, evaluation and measurement used, in order to facilitate the process of cultural dissemination and the understanding of the logics underlying the choices made.

ICT (Information Communication Technology) risk

The ICT risk is the risk of incurring economic, reputational and market share losses in relation to the use of information and communication technology. In the integrated representation of corporate risks for prudential purposes, this type of risk is considered, according to the specific aspects, under operational, reputational and strategic risks.

The Group considers the IT system to be a tool of primary importance for the achievement of its strategic, business and social responsibility objectives, also in consideration of the critical nature of the business processes that depend on it. Consequently, it is committed to creating a resilient environment and investing in activities and infrastructures aimed at minimising the potential impact of ICT events and protecting its business, its image, its customers and its employees.

Therefore, the Group has adopted a system of principles and rules aimed at identifying and measuring the ICT risk to which company assets are exposed, assessing the existing controls and identifying the appropriate methods for managing these risks, on a consistent basis with the operational risk management process.

In line with the methodological framework defined for the governance of operational risks, the ICT risk governance model is developed with a view to integrating and coordinating the specific skills of the structures involved.

ICT risk includes:

- the cyber risk (including IT security risk): the risk of incurring economic, reputational and market share losses due to:
  - any unauthorised access of or attempt to access the Group's information system or the data and digital information contained therein;
  - any event (intentional or involuntary) favoured or caused by the use of technology or related to it that has or could have a negative impact on the integrity, availability, confidentiality and/or authenticity of the company data and information, or on the continuity of business processes;
  - improper use and/or divulgation of digital data and information, even if not directly produced and managed by the Group;
- IT or technological risk: the risk of incurring economic, reputational and market share losses in relation to the use of the company information system and connected to hardware, software and network malfunctions.

Following the new provisions contained in the 40th update of Circular 285 relating to the "Bank Supervisory Provisions" which implement the "Guidelines on the management of risks relating to information technology (ICT) and security" issued by EBA in September 2019, a 2nd level control unit was created for the management and control of ICT and security risks, which will have the main responsibility of managing and supervising ICT and security risks.

Legal risk

As of the reporting date, there were approximately 3,794 disputes pending at Group level, other than tax disputes, with a total petitum of approximately Euro 27,507,777 million (of which Euro 25,615,586 million related to the Parent Company). This amount is for the most part determined by a number of pending disputes for which the risk of disbursement of economic resources deriving from a potential position of loss was assessed as possible.

The risk associated with these positions has been the subject of specific and careful analysis, also with the support of leading external law firms. In the presence of disputes for which it is estimated that there is a probability of a disbursement of more than 50% and if it is possible to make a reliable estimate of the related amount (so-called disputes with probable risk), specific and appropriate allocations have been made to the Provision for Risks and Charges. Without prejudice to the risk of uncertainty that characterises all disputes, the estimate of obligations that could emerge from disputes - and therefore the entity of the provisions that may be made - derives from the forecast assessments regarding the outcome of the legal proceedings. These estimates are in any case made on the basis of all information available at the time of the estimate.

Net of the issue deriving from the ruling of the EU Court of Justice no. 383 of 11 September 2019, the so-called "Lexitor", the disputes as at the date indicated above and with probable risk amounted to 20 with a petitum of Euro 1,186,347 and provisions of Euro 1,049,996. The breakdown by main categories of disputes with probable risk shows the prevalence of particular cases related to the ordinary banking and lending activities of the Group. With regard to the "Lexitor" issue, relating in particular to salary assignment loans, please refer to section "D - Other facts worth mentioning" in the consolidated Report on Operations.

For further quantitative information, please refer to the Notes to the financial statements - Part B - Provisions for risks and charges.

Group Operational Risk Management Process

The Group's operational risk management process is divided into the following phases:

Identification

The identification phase includes the collection and classification of qualitative and quantitative information that makes it possible to identify and describe the Group's potential operational risk areas. In particular, it envisages:

- the collection and updating of data on operational events (Loss Data Collection), decentralised to the Organisational Units;
- the identification of business processes and components of the information system at greatest potential risk;
- the determination of the applicability and relevance of the defined operational risk factors;
- the identification of projects that will involve significant changes to the information system;
- the identification of significant risk scenarios, also based on the external context (e.g. external loss data, regulatory developments, emerging trends, strategic and threat intelligence);
- the identification and analysis of critical issues affecting the Group's areas of operation.

Measurement and evaluation

The measurement and evaluation phase includes the quali-quantitative determination of the Group's exposure to operational risks. It envisages:

- the self-assessment process of operational and ICT risk exposure (Self-diagnosis) at least once a year;
- the execution of preventive analyses of operational and ICT risks deriving from agreements with third parties (e.g. outsourcing of activities), business operations or project initiatives, introduction or review of new products and services, launch of new activities and entry into new markets;
- the definition of the relevance of the critical issues identified;
- the transformation of the assessments collected (e.g. internal and external data on operating loss, levels of monitoring of risk factors, probability and impact in the event of implementation of risk scenarios) into summary risk measures;
- the determination of the economic and regulatory capital through the internal model and the simplified methods defined by the regulations in force.

Monitoring and control

The objective of the monitoring phase is to analyse and control the continuous evolution of the exposure to operational risks, based on the structured organisation of the results obtained from the identification and assessment and measurement activities and on the observation of indicators that represent a good proxy for exposure to operational risks (e.g. limits, early warnings and indicators defined in the RAF).

Mitigation

The mitigation phase includes activities aimed at limiting exposure to operational risks, defined on the basis of that which emerged at the time of identification, measurement, assessment and monitoring. It envisages:

- the identification, definition and implementation of the corrective actions (so-called mitigation actions) necessary to remedy the monitoring shortfalls identified or bring the relevance of the critical issues identified within the defined tolerance;
- the promotion of initiatives aimed at spreading the culture of operational risk within the Group;
- the definition of operational risk transfer strategies, in terms of optimisation of insurance coverage and any other forms of risk transfer adopted by the Group as and when necessary.

In this regard, in addition to taking advantage of a traditional insurance programme (to protect against offences such as employee disloyalty, theft and damage, transport of valuables, computer fraud, forgery, cyber, fire and earthquake as well as third-party liability), in compliance with the requirements established by legislation and in order to benefit from the equity benefits envisaged by the same, the Group has taken out an insurance policy entitled Operational Risk Insurance Programme that offers ad hoc coverage, significantly raising the limits of liability covered, with transfer to the insurance market of the risk deriving from significant operating losses.

In addition, with regard to the risks related to property and infrastructures and in order to limit the impacts of phenomena such as catastrophic environmental events, international crises, social protests, the Group can activate its own business continuity solutions.

Communication

The communication phase includes the preparation of suitable information flows related to the management of operational risks, aimed at providing useful information, for example, for:

- the analysis and understanding of any dynamics underlying the evolution of the level of exposure to operational risks;
- the analysis and understanding of the main critical issues identified;
- the definition of mitigation actions and intervention priorities.

Self-diagnosis

Self-diagnosis is the annual process via which the Organisational Units identify their level of exposure to operational and ICT risk. It includes the Operational Risk Assessment and the ICT Risk Assessment, in turn consisting of:

- Assessment of the Operating Context (VCO): activities through which the significant Risk Factors are identified and the relative level of control is assessed;
- Scenario Analysis (AS): prospective analysis methodology that is expressed in a systematic process, typically repeated at a predefined frequency but which can also be carried out ad hoc, and which involves hypothesising the occurrence of particular situations (or scenarios) and forecasting their consequences. Once identified and appropriately characterised, the scenarios must be assessed: i.e., the probability of occurrence (frequency) and potential impact (average and worst case impact), in the event of occurrence of the situation described by the scenario itself, must be determined.

Quantitative information

Theoretical unexpected losses, determined by applying the standard method (STA) for the parent company and the basic method (BIA) for the subsidiaries, amount to Euro 57 million.

Losses recorded during the year (Source: EDB-Events Database), on the other hand, are shown as follows:

Risk Type	Net Losses	Net Provisions	Addition, uses and recoveries	Net Op. Risk Impact
Internal Fraud				
External Fraud	1,942		-384	1,557
Employment, pratises & Workplace Safety				
Clients, Products & Business Practices	3,124	1,303	-78	4,349
Damage to physical Assets				
Business Disruption & System Failures	6696			6696
Execution, Delivery & Process Management	12		-84	-73
TOTAL	**11,774**	**1,303**	**-546**	**12,529**

The item interruption of operations and unavailability of the systems refers to an IT incident, which occurred in February 2024.

Section 3 – Risks of insurance companies

There are no insurance companies in the consolidation scope.

Section 4 – Risks of other companies

There are no other active companies in the consolidation scope.

Part F - Information on consolidated shareholders' equity

Section 1 – Consolidated shareholders' equity

A. Qualitative information

The monitoring of capital adequacy at consolidated and individual investee level is ensured by the capital management activities within the sphere of which, in compliance with regulatory restrictions and in line with the risk profile adopted by the Group, the size and optimal combination of the different capitalisation instruments are defined.

The Group assigns a priority role to the management and allocation of capital resources, both as a strategic lever and as a tool to ensure the consistency of the operating plans of the business units. In this context, the Group uses the Return on Risk Weighted Assets (RoRWA) indicator, which summarises the return on risk-weighted assets, as the primary tool for strategic decisions.

Once the strategic objectives of profitability, capital solidity and liquidity that the Group intends to pursue have been defined, the capital and financial resources are allocated to the business units through a process that assesses their growth potential, value creation capacity and financial autonomy.

The risk capital considered is twofold:

- regulatory capital in the presence of Pillar 1 risks;
- total internal capital in the presence of Pillar 2 risks, for the purposes of the ICAAP process.

Regulatory capital and total internal capital differ in terms of definition and coverage of the risk categories. The first derives from schemes defined in the supervisory regulations, the second from management measurements.

Capital management activities and the Risk Appetite Framework (RAF) are therefore substantiated in the governance of current and future capital adequacy by means of a careful monitoring of both Pillar 1 regulatory restrictions (from 1 January 2014 according to Basel III rules), as well as the Pillar 2 management restrictions. The projections are produced also in stress situations in order to ensure that the available resources are adequate to cover all risks, even in adverse economic conditions.

Each year, as part of the process of assigning budget objectives, a compatibility check of the projections at consolidated and individual investee level is carried out. Based on the expected trends in the balance sheet and income statement aggregates, if necessary, appropriate capital management action is already identified at this stage to ensure the necessary financial resources for the individual business units. On a quarterly basis, compliance with capitalisation levels is monitored, taking appropriate action when necessary.

Compliance with capital adequacy is pursued through various levers, such as the dividend distribution policy, the definition of strategic finance transactions (share capital increases, issue of subordinated bonds, disposal of non-strategic assets, etc.) and the management of investments, in particular lending, in relation to the risk of the counterparties.

Further analyses for the purposes of preventive control of capital adequacy are carried out at the time of extraordinary transactions (mergers, acquisitions, disposals, etc.) both within the Group and those amending its boundaries.

Minimum regulatory requirements

Following the Supervisory Review and Evaluation Process (SREP), the Regulator annually provides the final decision on the capital requirement that the Group must comply with at consolidated level. For 2024, the SREP is broken down into the application of minimum regulatory requirements and an additional Capital Conservation Buffer of 2.50%, determining the following ratios:

- Common Equity Tier 1 equal to 7.00%;
- Tier 1 equal to 8.5%;
- Total Capital equal to 10.50%.

In addition, the Bank of Italy has decided to apply to all banks authorised in Italy (both at consolidated and individual level), a *Systemic Risk Buffer* (SyRB) equal to 1% of the weighted exposures for credit and counterparty risk vis-à-vis residents in Italy. The target rate must be achieved gradually by establishing a reserve equal to 0.5% of the significant exposures by 31 December 2024 and the remaining 0.5% by 30 June 2025. The establishment of the reserve will strengthen the ability of the Italian banking system to deal with possible adverse events, also independent of the economic-financial cycle. Upon the occurrence of these events, the release of the buffer by the Bank of Italy will provide the banks with useful resources to absorb losses and support the supply of credit to the economy.

Development of prudential regulations

Own funds, Risk Weighted Assets (RWA) and solvency ratios are determined on the basis of the harmonised rules for banks and investment firms contained in Directive no. 2013/36/EU (CRD IV) and in the Regulation (EU) no. 575/2013 (CRR) of 26 June 2013, amended respectively by Directive no. 2019/878/EU (CRD V) and by Regulation (EU) no. 2019/876 (CRR II), which transpose the standards in the European Union as defined by the Basel Committee for Banking Supervision (so-called Basel 3 framework), and on the basis of Bank of Italy Circular no. 285. The CRR mentioned above was then supplemented by Delegated Regulation (EU) no. 241/2014 of the Commission containing the regulatory technical standards on own fund requirements for institutions, in turn amended first by Delegated Regulation (EU) no. 2015/923 which governs the issue of indirect and synthetic holdings and subsequently by the Delegated Regulation (EU) no. 2020/2176 on the prudent treatment of software, illustrated below.

In 2017, the transitional phase of the "Basel 3" framework was completed, which envisaged the partial inclusion or deductibility from Own Funds of certain elements in accordance with the provisions of the CRD IV and the CRR, and 2018 also saw the end of the period of departure referring to the amendments to be applied to IAS 19 with the filter on reserves for actuarial gains and losses.

As from 1 January 2018, the transition period (2018-2022) aimed at mitigating the capital impacts linked to the introduction of the new accounting standard IFRS 9 began. The Group, in this context, availing itself of the option envisaged by EU Regulation no. 2395/2017, opted not to apply transitional regimes considering its level of capitalisation.

Regulation (EU) no. 2019/630 of 17 April 2019, amending the CRR, has been in force since 26 April 2019, introducing the deduction to be made to CET1 in the event of insufficient minimum coverage of losses on non-performing exposures (minimum loss coverage), the latter determined on the basis of differentiated provisioning percentages, between secured and unsecured exposures, as well as a predetermined time-frame in which to achieve this coverage target (so-called calendar provisioning).

In addition, on 22 December 2020, Delegated Regulation (EU) no. 2020/2176 was introduced, which amends Delegated Regulation (EU) no. 241/2014, with regard to the deduction of assets in the form of software from Common Equity Tier 1 elements, as the purpose of the Regulator is to support the transition towards a more digitalised banking sector by introducing the concept of prudent amortisation applied to all assets in the form of software over a period of 3 years, regardless of the estimated useful life for accounting purposes. In this context, the Group, availing itself of the option envisaged by the Regulation, opted to apply this regime.

Basel IV

On 19 June 2024, the European Union published the final version of the rules from the "Basel IV" document, with effect from 2025, except for specific cases, through the issue of Directive (EU) 2024/1619 (CRD VI) and EU Regulation 2024/1623 (CRR III).

The main changes introduced by the aforementioned legislation are as follows:

- Prudent supervisory scope: the review of the prudent supervisory scope to include instrumental entities, starting from July 2024;
- Standard model for credit risk: the review of the standard model in order to improve the allocation of RWAs, starting from January 2025. The main aggregates concerned were unrated exposures, exposures secured by real estate and off-balance sheet exposures (guarantees and commitments);
- Internal model for credit risk: the review of the internal model in order to contain unexpected variability, starting from January 2025, through the introduction of a basic parameter called "output floor", aimed at limiting the RWAs calculated at 72.5% of the Standard approach;
- Standard model for operational risk: the introduction of a new standard model, starting from January 2025, designated as the only method for assessing operational risks, based on the size of the credit institution;
- Market risk models: the introduction of three new methodologies, starting from January 2026, i.e., the standardised (SA-CVA), basic (BA-CVA) and simplified approach (applicable only if certain conditions are met as specified in the regulations).

The framework illustrated affected the entire Santander Group, which developed analyses and projections aimed at monitoring this regulatory update in advance.

With regard to the impacts achieved in 2024, note the review of the consolidated prudent supervisory scope. This change designated the inclusion within the prudent consolidated scope of the companies dedicated to the disbursement of operating leases (Santander Consumer Renting and Drive), with an increase in RWAs of Euro 152.8 million.

Looking ahead, the expected impacts for 2025 mainly concern the methodological review of credit and operational risk, while the impact on credit risk is mainly limited to the updating of the definition of SME (based solely on the quantification of turnover and overall exposure). The changes concerning the most relevant component, i.e. operational risk, is related to the determination of the new indicator based on the size of the credit institution's business (business indicator component or BIC), obtained from the sum of the components (BI) of interest and dividends (ILDC), services (SC) and financial ones (FC) averaged over the three years and corrected for an incremental Beta coefficient dependent on the size of the BI of the company itself), with an overall impact that is still being streamlined.

B. Quantitative information

B.1 Consolidated shareholders' equity: breakdown by type of business

Equity items	Prudential consolidation	Insurance companies	Other companies	Consolidation adjustments and eliminations	Total
1. Capital	760,520	-	-	(96,963)	663,557
2. Emission Fees	24,177	-	-	(11,772)	12,405
3. Reserves	1,068,478	-	-	(227,561)	840,917
4. Capital Instruments	-	-	-	-	-
5. (Own shares)	-	-	-	-	-
6. Valuation reserves:	254	-	-	-	254
- Equity instruments designated at fair value through other comprehensive income	-	-	-	-	-
- Hedge accounting of equity instruments designated at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (different from equity instruments) at fair value through other comprehensive income	-	-	-	-	-
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Foreign investment coverage	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Hedging instruments [Unspecified Elements]	-	-	-	-	-
- Exchange differences	-	-	-	-	-
- Non-current assets and groups of assets held for sale	-	-	-	-	-
- Financial liabilities designated at fair value with impact on the income statement (changes in their creditworthiness)	-	-	-	-	-
- Actuarial gains (losses) on defined benefit plans	254	-	-	-	254
- Provisions for valuation reserves related to equity investments valued at shareholders' equity	-	-	-	-	-
- Special revaluation laws	-	-	-	-	-
7. Net (Loss) (+/-) of Group and minorities	117,842	-	-	(15,488)	102,355
Shareholders' equity	**1,971,271**	**-**	**-**	**(351,784)**	**1,619,487**

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/values		Prudential consolidation		Insurance companies		Other companies		Consalidation adjustments and eliminations		Total	
		Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities		-	-	-	-	-	-	-	-	-	-
2. Equity securities		-	-	-	-	-	-	-	-	-	-
3. Loans		-	-	-	-	-	-	-	-	-	-
Total	**31/12/2024**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**31/12/2023**	**-**	**59**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**59**

B.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: change in the year

	Debt securities	Equity securities	Loans
1. Opening balance	(59)	-	-
2. Positive changes	59	-	-
2.1 Fair value increases	59	-	-
2.2 Value adjustments for credit risk	-	X	-
2.3 Transfer to the income statement of negative reserves to be realized	-	X	-
2.4 Transfers to other equity (capital securities)	-	-	-
2.5 Other changes	-	-	-
3. Negative changes	-	-	-
3.1 Fair value reductions	-	-	-
3.2 Write-backs for credit risk	-	-	-
3.3 Reclassification throught profit or loss of positive reserves: - following disposal	-	X	-
3.4 Transfers to other equity (capital securities)	-	-	-
3.5 Other changes	-	-	-
4. Closing balance	**-**	**-**	**-**

B.4 Valuation reserves related to defined-benefit pension plans: change in the year

The valuation reserves relating to defined-benefit plans, net of the corresponding tax effect, amount to Euro 184 thousand and disclose a negative change with respect to the previous year for Euro 8 thousand.

Section 2 – Own funds and capital adequacy ratios

The Santander Consumer Bank Group is not required to prepare the disclosure to the public (Third Pillar) as this is drawn up by the Spanish Parent Company.

In light of this peculiarity, the related disclosure is provided in the following tables.

Own funds

Fondi Propri Gruppo Santander Consumer Bank	Total	
	31/12/2024	31/12/2023
A. Capital primary Class 1 (Common Equity Tier 1 - CET1) before application of prudential filters	**1,282,027**	**1,211,927**
of which CET1 instruments subject to transitional provisions		
B. Prudential filters CET1 (+/-)		**(42)**
C. CET1 before items to be deducted and the effects of the transitional arrangements (A +/- B)	**1,282,027**	**1,211,885**
D. Deductions from CET1	**100,255**	**118,517**
E. Transitional regime - Impact on CET1 (+/-)		
F. Total Capital primary Class 1 (Common Equity Tier 1 - CET1) (C - D +/- E)	**1,181,771**	**1,093,368**
G. Additional Tier 1 Capital (Additional Tier 1 - AT1) before items to be deducted and the effects of the transitional arrangements	**33,933**	**34,363**
of which AT1 instruments subject to transitional provisions		
H. Deductions from AT1		
I. Transitional regime - Impact on AT1 (+/-),		
L. Total Capital Additional Tier 1 (Additional Tier 1 - AT1) (G - H +/- I)	**33,933**	**34,363**
M. Capital Class 2 (Tier 2 -T2) before items to be deducted and the effects of the transitional arrangements	**193,293**	**194,185**
of which T2 instruments subject to transitional provisions		
N. Deductions from T2		
O. Transitional regime - Impact on T2 (+/-)		
P. Total Share of Class 2 (Tier 2 -T2) (M - N +/- O)	**193,293**	**194,185**
Q. Total own funds (F + L + P)	**1,408,997**	**1,321,916**

Common Equity Tier 1 is composed of the book value of shareholders' equity, net of the Group profit and minority interests to the extent of the only part that can be calculated for Euro 236,429 thousand, with the following adjustments:

- deduction of intangible assets exceeding the weighting rules for Euro 98,463 thousand;
- deduction of positions towards STS securitisations for Euro 23,191 thousand;
- deduction of minor accounting write-downs compared to the Calendar Provisioning forecasts for Euro 1,612 thousand;
- deduction of deferred tax assets that are based on future profitability and do not derive from timing differences net of associated tax liabilities for Euro 5,682 thousand.

Additional Tier 1 capital and Tier 2 capital consists of the instruments issued and considered eligible. These instruments are calculated on the basis of the time criterion envisaged by regulations.

Supervisory ratios

Value	Non weighted assets		Weighted assets	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. RISK ASSETS				
A.1 Credit and counterparty risk	12,491,469	13,120,992	8,089,421	8,531,021
1. Standardized approach	12,491,469	13,120,992	8,089,421	8,531,021
2. IRB approach				
2.1 Foundation				
2.2 Advanced				
3. Securitizations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			658,228	691,142
B.2 Risk valuation adjustment credit				
B.3 Regulation Risk				
B.4 Market Risk				
1. Standardized approach				
2. Internal models				
3. Concentration risk				
B.5 Operational risk			57,469	53,813
1. Basic indicator approach (BIA)			35,463	30,788
2. Traditional standardized approach (TSA)			22,007	23,025
3. Advanced measurement approach (AMA)				
B.6 Other calculation elements				
B.7 Total capital requirements			715,697	744,955
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Weighted risk assets			8,946,215	9,311,944
C.2 Capital primary class1 / Risk			13.21%	11.74%
C.3 Capital Class 1 / Risk-weighted assets (Total capital ratio)			13.59%	12.11%
C.4 Total own funds / Risk-weighted assets (Total capital ratio)			15.75%	14.20%

Part G – Business combinations

Section 1 – Transactions carried out during the year

The Group has not realised any business combinations involving companies or lines of business during the year.

Section 2 – Transactions subsequent to the year end

The Group has not realised any business combinations involving companies or lines of business after the end of the year.

Section 3 – Retrospective adjustments

The Group has not made any retrospective adjustments.

Part H – Related party transactions

As laid down by EU Regulation no. 632/2010 of the Commission dated 19 July 2010, the text of IAS 24 defines the concept of related party and identifies the relationship between this one and the entity that draws up the financial statements.

Pursuant to these notions, related parties include:

- the significant shareholders as well as their subsidiaries, including those jointly controlled, and their associates;
- the executives with strategic responsibilities;
- close family members of shareholders and executives with strategic responsibilities and subsidiaries, including those jointly controlled, by the latter or their close relatives.

For the purposes of the management of transactions with related parties, reference is made to the rules defined by CONSOB Regulation no. 17221/2010 (deriving from the provisions of article 2391-bis of the Italian Civil Code) and the matters introduced in 2011 by Title V, Chapter 5 of the Bank's Circular no. 263/2006, as well as the provisions pursuant to article 136 of Italian Legislative Decree no. 385/1993. In this context, Santander Consumer Bank adopted the "Regulation for transactions with related parties" for the management of transactions with parties in conflict of interest, aimed at establishing preliminary and decision-making rules with regard to transactions carried out with related parties and to regulate the procedures for fulfilling the disclosure obligations vis-à-vis stakeholders.

1. Information on the remuneration of managers with strategic responsibilities

	Management and Control bodies	Other Manager	Totale
Short-term benefits	865	6,451	7,316
Post-employment benefits	-	-	-
Other long-term benefits	-	-	-
Termination indemnities	-	-	-
Share-based payments	-	92	92
Total	**865**	**6,543**	**7,408**

2. Related party disclosures

	Banco Santander	Santander Consumer Finance	Stellantis Group companies	Other Santander Group companies	Tim S.p.A.	Other business partners
A10. Cash and cas balances	187,042					-
A20. Financial assets designated at fair value through profit or loss	-					-
A20a). Financial assets held for trading	72,671					-
A20c) Financial assets mandator designed at fair value			4			-
A40. Financial assets measured at amortised cost	-			-		-
A40a) Loans and advances to banks	4,716					-
A40b) Loans and advances to costumers						-
A50. Hedging derivatives	8,827					-
A100. Intangible assets			485	303		-
A130. Other assets			48,635	8,350	4,524	-
	-			-	-	-
L10. Financial liabilities valued at amortised cost						-
L10) Deposits from banks	19,602	3,718,766	11,068			-
L10b) Deposits from costumers		443,277	45,884	(11,999)		-
L10c) Debt securities in issue		(769,918)				-
L20. Financial liabilities held for trading	(7,755)					-
L80. Other liabilities	6	821	160,991	(2,850)	836	-
L90. Provision for employee severance pay		4				-
L100. Provisions for risks and charges						-
L100c) others						-
				-	-	-
PL10. Interest and similar income	50,511		40,769		29,701	(6,179)
PL20. Interest expenses and similar charges	(923)	(323,593)	(4,514)	(295)	(59)	-
PL40. Fee and commission income			13,881			-
PL50. Fee and commission expenses	(438)		-			(3,592)
PL80. Net income financial assets and liabilities held for trading	(1,694)					-
PL90. Net hedging gains (losses) on hedge accounting	(37,665)					-
PL190. Administrative costs:						-
PL190a) payroll costs			143	454	(750)	-
PL190b) other administrative costs	(3,057)	(153)	(18,403)	(4,209)	(1,501)	-
PL220. Net adjustments / writebacks on intangible assets				-		-
PL230.Other operating income/expenses	(488)		(3,208)	13,802	4,722	-
				-	-	-
Derivatives - notional	14,446,478				-	-

Transactions carried out by the Group with related parties generally fall within the sphere of ordinary operations of the Group and are normally carried out under market conditions and in any case on the basis of assessments of mutual cost effectiveness, in compliance with the internal procedures referred to above.

Dealings with the parent company refer to:

- derivative transactions;
- funding transactions;
- consulting services received.

Dealings with the other companies of the Santander Group mainly refer to:

- consulting services received;
- management services granted, with related recharges of out-of-pocket expenses.

With regard to the positions with the companies of the Stellantis Group and TIM, the amounts shown are mainly attributable to the commercial activities in progress carried out by the related business lines.

With regard to the residual item Other commercial partners, it consists of dealers in the automotive market that have corporate partnerships with the Group. For presentation purposes only in the above table, the commission amounts shown in the income statement are by turnover, without application of the amortised cost criterion.

Other information

As required by article 2427, paragraph 16 bis), of the Italian Civil Code, the total amount of the fees due to the independent auditors for the year 2024 is shown below. The amounts are shown net of the ISTAT revaluation, expense allowance, supervisory contribution and VAT.

Type of services	Santander Consumer Bank	Santander Group Companies	Total
	PWC	PWC	PWC
Legal audit	103	365	468
Voluntary audit	67	150	217
Other services	2	7	9
Total	**171**	**522**	**693**

Part I – Share-based payments

The Group has not entered into any payment agreements based on its own equity instruments.

Part L – Segment reporting

The Group does not illustrate this disclosure as it is not listed and is not an issuer of widespread securities.

Part M – Report on leases

This part provides the information required by IFRS 16 that is not present in the other parts of the financial statements, distinguishing between lessee and lessor.

Section 1 – Lessee

Qualitative information

Real estate leases

Real estate lease agreements have a value in use of Euro 11,689 thousand (Euro 17,684 thousand in 2023), and mainly include the offices of the Group companies.

The contracts, as a rule, have a duration of more than 12 months and typically have renewal and termination options that can be exercised by the lessor and the lessee according to the law or specific contractual provisions. These contracts do not usually include the purchase option at the end of the lease or significant restoration costs. Based on the characteristics of the lease contracts and the provisions of Italian Law no. 392/1978, in the event of signing a new lease agreement with a contractual duration of six years and the option of tacitly renewing the six-year contract in six years, the total duration of the lease is set at twelve years. This general indication is superseded if there are new elements or specific situations within the contract.

During the year, the lease agreements of the branches were closed (April 2024), on conclusion of the transformation plan process started in 2023. In order to cover non-recurrent charges, relating to the restoration of the properties to their original state, dedicated provisions for risks and charges were used for Euro 176 thousand.

Motor vehicle leases

The lease agreements relating to motor vehicles have a value in use of Euro 319 thousand (Euro 1,438 thousand in 2023), and consist of long-term rentals referring to the company fleet made available to employees (mixed use).

A number of lease agreements were closed during the year. In order to cover non-recurrent charges, relating to early termination penalties and extra-mileage, dedicated provisions for risks and charges of Euro 231 thousand were used.

Generally, these contracts envisage monthly payments, with no renewal option and do not include the option to purchase the asset.

Residual leases

As already indicated in the accounting policies, the Group avails itself of the exemptions permitted by IFRS 16 for short-term leases (i.e. duration of less than or equal to 12 months) or leases of modest value assets (i.e. value less than or equal to Euro 5,000), such as hardware and sub-leases.

It is also specified that no sales or retro-leasing transactions were carried out.

Quantitative information

Please refer to the Notes to the financial statements:

- Part B - Assets, which provides information on rights of use acquired through leasing (Table 9.1 - Property, plant and equipment used for business purposes: breakdown of assets measured at cost);
- Part B - Liabilities and shareholders' equity, which shows the lease payables (Table 1.2 - Financial liabilities measured at amortised cost: deposits from customers, breakdown by type) and the relative breakdown by maturity (Table 1.6 - Finance lease payables);
- Part C contains information on interest expense on lease payables and other charges associated with rights of use acquired through leases and income from sub-lease transactions.

The following table shows the quantitative information not present in the above references:

	Leasing low-value	Short term leasing	Proceeds sub-leasing
Total	**356**	**-**	**111**

Section 2 – Lessor

Qualitative information

The entity provides financial and operating leases consisting of the concession to use motor vehicles, motorcycles, campers and commercial vehicles.

As lessor, the management of the risk associated with the rights that Santander Consumer Bank retains on the underlying assets takes place through buyback agreements, collateral (security deposits) and endorsement guarantees (bank, insurance and sureties).

In the case of contracts in which the entity directly bears the risk on the residual value of the contract, as there is no buyback agreement with the dealer or the manufacturer, quarterly monitoring is carried out, aimed at the allocation of a provision for residual values.

Quantitative information

1. Balance sheet and Income statement information

Please refer to the Notes to the financial statements:

- Part B - Assets, which shows the lease financing (Table 4.2 - Financial assets measured at amortised cost: loans to customers, breakdown by type);
- Part C contains the information on interest income on lease financing and on other revenues from finance leases.

2. Finance leases

2.1 Classification by time bands of payments to be received and reconciliation with lease financing recognised under assets

Maturity ranges	Total 31/12/2024 Lease payments receivables	Total 31/12/2023 Lease payments receivables
Up to one year	261,091	58,992
Over one year up to 2 years	255,607	50,732
Over 2 years up to 3 years	289,032	45,747
Over 3 years up to 4 years	206,837	30,907
Over 4 years up to 5 years	163,172	11,449
For over 5 years	12	-
Amount of the lease payments receivables	**1,175,750**	**197,826**
RECONCILIATION OF THE UNDISCOUNTED LEASE PAYMENTS	(32,442)	(25,980)
Not accrued gains (-)	(32,442)	(25,980)
Not guarantee residual value (-)	-	-
Lease payments	**1,143,308**	**171,846**

2.2 Other information

In order to manage the residual values deriving from un-opted or withdrawn assets following resolution, the Group structured a sale procedure through dedicated platforms, in order to manage the disposal of the assets in the shortest space of time possible at market conditions.

3. Operating leases

3.1 Classification by time bands of payments to be received

Maturity ranges	Total 31/12/2024 Lease payments receivables	Total 31/12/2023 Pagamenti da ricevere per il leasing
Up to one year	41,097	7,268
Over one year up to 2 years	30,987	5,901
Over 2 years up to 3 years	21,435	4,014
Over 3 years up to 4 years	13,099	1,517
Over 4 years up to 5 years	4,945	251
For over 5 years	-	-
Total	**111,562**	**18,952**

3.2 Other information

There is no further information to be disclosed in this section.

Report on Operations of Santander Consumer Bank S.p.A.

Report on Operations

A - The reference market

A.1 - The macroeconomic scenario

See the Consolidated report on operations, section A.1 - Macroeconomic scenario.

A.2 - Industry trends

See the Consolidated report on operations, section A.2 - Industry trends.

B - Performance of interest-bearing assets and liabilities

B.1 - New Business

New Business (EUR/Mln)	2024	2023	Var.	%
Vehicle	**1,248.2**	**1,194.8**	**53.4**	**4.5%**
- Vehicle loans	1,176.8	1,125.3	51.5	4.6%
-new vehicle	723.0	664.7	58.3	8.8%
-used vehicle	453.7	460.7	(7.0)	-1.5%
- Financial leasing	71.4	69.5	1.9	2.8%
Consumer loans	**1,211.2**	**1,423.4**	**(212.2)**	**-14.9%**
- Personal loan	859.3	986.4	(127.1)	-12.9%
- Special pourpose loan	301.3	331.3	(30.0)	-9.1%
- Salary assignement	47.4	102.2	(54.8)	-53.6%
- Credit card	3.2	3.5	(0.3)	-8.6%
Total	**2,459.4**	**2,618.2**	**(158.8)**	**-6.1%**

The volumes of new instalment business recorded a decrease (-6.1%).

The care segment was up (+4.5%) thanks to the results achieved on the new car segment, mainly attributable to the agreement with MG and on motorcycles.

The consumer segment was down (-14.9%) due to lower volumes realised on personal loans deriving from the agreement with Poste Italiane and on the salary assignment products due to the conclusion of certain forms of collaboration for the placement of the product.

The placement of insurance products continues to be a significant concerted component in the car sector, mainly due to the limitations of penetration on personal loans deriving from the Poste Italiane agreement.

The main products managed with customers are shown below.

Automotive loans and automotive leases

Agreements are handled in coordination with the Parent Company, Santander Consumer Finance, as part of agreements at European level, both in terms of governance and strategic approach.

Agreements pertaining to the automotive sector, together with specialisation by the dedicated sales structure and loyalty programmes (TCM and lease products, CRM activities) make it possible, on one hand, to improve performance in terms of retention of market shares and volumes and, on the other hand, to further strengthen the loyalty of dealers and customers. During 2024, new agreements were implemented with an important diversification of purchase channels and a particular focus on digitalisation (E2E), which favoured an expansion of the offer by the Bank.

Personal loans

The consolidation of important partnerships and the synergy between the various sales channels of the Bank have permitted the growth of the Personal Loan product, albeit down slightly in overall volumes.

In fact, 2024, marked by a continuous drive towards digitalisation, saw the updating of processes to support direct sales on the Bank's channels, and also remote sales. In particular, the updating of the recognition processes, with the introduction of a hybrid mode with the inclusion of digital onboarding solutions within the physical points, gave an important boost to the product.

With a view to increasing loyalty retention, the Bank is committed to developing new solutions aimed at increasing the involvement of the acquired customers and improving perception of the services offered.

Salary assignment loans

During the year, the Bank activated new forms of collaboration with Insurance Partners and made those already active more efficient in order to make the product increasingly competitive. These choices are the result of rationalisation strategies aimed at recovering market shares of the product following a decline in the related new business in consideration of the closure of some agreements with the network.

Credit cards

A credit facility for an unlimited period made available to a customer, who may make use thereof in one or more lots. The user undertakes to repay the amounts utilised and interest accrued thereon, complying with the payment of monthly minimum instalments, but with the right to make larger repayments if desired. The repayment of the capital element ensures the availability once again of the full credit facility, which may be reutilised by the customer. Interest rates are generally fixed, but one has the right to modify the financial conditions during the relationship, in compliance with regulations in force. The facility may be backed by possible guarantees.

Other non-consumer loans

Santander Consumer Bank's portfolio also includes the following non-consumer products:

- Stock finance: credit facility made available to the Affiliated Party, which can be used as a deposit for advances against presentation of European Type-approval Certificates or Certificates of Conformity (i.e. the documents necessary for the registration of Motor vehicles or Motorcycles) in the case of new motor vehicles or motorcycles or against presentation of Ownership Certificates and Vehicle Registration Certificates in the case of second-hand motor vehicles or motorcycles.
- Revolving dealer credit facility consisting in the advance payment to the Affiliated Party of a predefined amount.

Brokered products: Insurance

With regard to insurance products in the automotive channel, following growth in performance in the second half year of 2023, 2024 was stable and in continuity. The sale is distributed among the various insurance products, on which the Land Vehicle Hulls (CVT) product with its various packages and ancillary services and Credit Protection (CPI) prevails.

On the Non-MV channels and with particular attention to Personal Loans, there was an overall decline in performance linked to the recent change in the channel structure: closure of the Santander Consumer Bank branches and strengthening of the agency network. Performance on the Banks and E2E channel remained almost stable.

In general, in the traditional "point of sale" channel, insurance products brokered by the Bank proved to be particularly appreciated by the customers, in particular the new product family Land Vehicle Hulls (CVT), such as theft & fire, comprehensive insurance, excess protection, etc..

The Bank's sales network is constantly trained on insurance products and the correct methods for proposing them to end customers are checked, as is the network of financial intermediaries.

B.2 - Funding

Total debt increased (+3.6%), based on the following trends.

- Bank funding, which accounts for 38.4% of total funding, stood at Euro 2,516.8 million, down (-22.1%), mainly due to the natural repayment of TLTRO III loans granted by the central bank for Euro 1,310.1 million, partially mitigated by the support of the Spanish Parent Company (in the form of ordinary loans, subordinated loans that can be counted as Tier 2 regulatory capital and Senior Non Preferred bonds recognisable as eligible liabilities for MREL purposes).
- Customer funding, which accounted for 61.6% of total funding, stood at Euro 4,039.2 million, up 30.4%, thanks to the significant contribution of SRT (Significant Risk Transfer) securitisation transactions placed on the market, which amounted to Euro 2,487.0 million (Euro 1,737.7 million in 2023) and thanks also to customer deposits, which amounted to Euro 1,541.4 million (Euro 1,347.9 million in 2023) via the increase in the customer base.

Overall, despite the fact that the ECB reference rates continued to decline during 2024 (for example, the ECB deposit facility rate which went from 4% at the end of 2023 to 3% at the end of 2024) and repricing campaigns were carried out on customer deposits, the cost of funding increased during 2024 compared to the previous year, mainly due to the gradual replacement of loan sources closed in periods characterised by very low interest rates (such as TLTRO III) with funding at marginally higher rates which were affected by the increase in interest rates between 2022 and 2023.

Deposit accounts

What the market offers essentially comes down to deposit accounts with or without a time constraint and an interest income rate linked to this constraint.

The Bank once again in 2024 offered its clients a demand deposit account and a time deposit account in order to provide a balance between funding stability and cost.

The current product line is composed of:

- IoPosso (demand deposit account);
- IoScelgo (basic demand deposit account to which the opening of a series of tied lines can be linked).

C - Other facts worth mentioning

See the Consolidated report on operations, section D - Other facts worth mentioning.

D - Result for the year

The Bank has the reasonable expectation that it will continue to operate in the foreseeable future and has, therefore, prepared the financial statements on a going concern basis, in accordance with the instructions provided in Document no. 4 of 3 March 2010 issued jointly by the Bank of Italy, Consob and Isvap, regarding "Information to be provided in financial reports on impairment tests, on debt covenants, on debt restructuring and on the fair value hierarchy", which makes reference to the corresponding document no. 2, again issued jointly by these three Authorities on 6 February 2009.

D.1 - Economic performance

Riclassified Income Statement (EUR/Mln)	2024	2023	Var.	%
Net interest	157.4	175.7	(18.3)	-10.4%
Net commission	42.5	40.2	2.3	5.7%
Net result of financial assets and liabilities at fair value	(1.2)	(2.3)	1.1	-47.8%
Net other operating incomes / costs	19.3	20.7	(1.4)	-6.8%
Operating incomes	**218.0**	**234.3**	**(16.3)**	**-7.0%**
Payroll costs	(45.5)	(48.7)	3.2	-6.6%
Administrative costs	(41.3)	(36.5)	(4.8)	13.2%
Amortizations	(15.9)	(20.7)	4.8	-23.2%
Operating costs	**(102.7)**	**(105.9)**	**3.2**	**-3.0%**
Operating result	**115.3**	**128.4**	**(13.1)**	**-10.2%**
Net adjustments on financial activities	(80.9)	(49.3)	(31.6)	64.1%
Other net accrual	(0.4)	(15.3)	14.9	-97.4%
Contribution to banking system	(2.0)	(3.9)	1.9	-48.7%
Other net operating income/expenses	(0.8)	(0.3)	(0.5)	166.7%
Profit or loss before tax	**31.2**	**59.6**	**(28.4)**	**-47.7%**
Tax	(2.3)	(16.7)	14.4	-86.2%
Profit or loss after tax	**28.9**	**42.9**	**(14.0)**	**-32.6%**

Operating income decreased (-7%) due to the following trends.

- Net interest fell (-10.4%), mainly due to the reduction in the spread between interest income and expense:

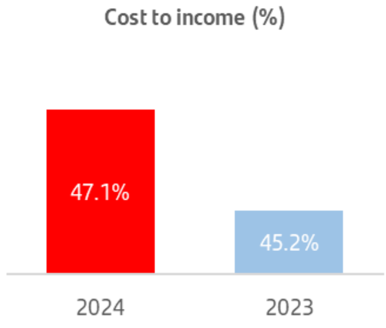
Net interest (EUR/Mln)		2024	2023	Var.	%
Interest income		**448.2**	**392.6**	**55.6**	**14.2%**
Interest income on medium bearing assets (%)	a)	6.4%	5.7%		
Interest expenses		**(290.8)**	**(216.9)**	**(73.9)**	**34.1%**
Interest expenses on medium bearing liabilies (%)	b)	-4.5%	-3.5%		
Total net interest		**157.4**	**175.7**	**(18.3)**	**-10.4%**
Net interest spread (%)	a)- b)	1.9%	2.3%		

- Interest expense, originating mainly from floating-rate Financial payables, recorded an increase deriving from the rapid adjustment to the rates established by the Central Bank and the change in the composition of sources of financing, in particular the TLTRO III which was gradually repaid.
- Interest income, originating mainly from fixed-rate Loans to customers, recorded a progressive increase in the last two years, mainly driven by the repricing strategy applied to the new business. However, considering the nature of fixed-rate interest-bearing assets, the balances existing before 2023 penalised the overall effective return, despite the partial mitigation instruments in place (effect of hedging derivatives).
- Net fee and commission income increased (+5,7%), thanks to greater penetration linked to insurance products on the car product.

Operating costs decreased (-3%) due to the following trends.

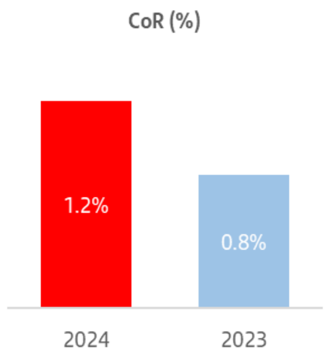
- Payroll costs were down (-6.6%), due to the combined effect of the company reorganisation measures undertaken in 2023, which had led to one-off costs for Euro 15.0 million (shown under the item "Other net provisions"), and a lower allocation of company bonuses due to failure to achieve results.
- Administrative costs increased (+13.2%), mainly due to non-recurrent IT costs. For greater information, please refer to the relevant section in the Notes to the consolidated financial statements - Part E concerning operational risks.
- Amortisation and depreciation were down (-23.2%), following the one-off remodelling of the useful life of software to three years carried out in 2023.

The development of the cost to income indicator (determined as operating costs to operating income) is shown below.



Net adjustments on loans increased (+64.1%) due to various events mainly attributable to the change in the breakdown of the portfolio (increase of the personal loan portfolio), the increase of the portfolio in stage 2 also connected to the review of the Significant Increase in Credit Risk parameters and the update of the IFRS9 model parameters, which have a negative effect in 2024, in contrast to the positive effects recorded in 2023. For greater details, please refer to the Notes to the consolidated financial statements - Part E. This result was partially mitigated by a positive effect of Euro 14.2 million (Euro 6.3 million in 2023) deriving from the without recourse factoring of an NPL (Non-Performing Loans) portfolio in write-off under management.

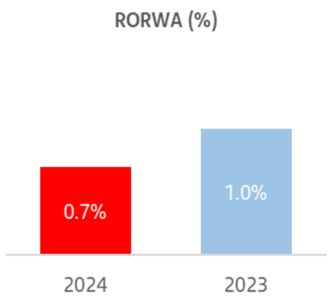
The development of the Cost of Risk indicator (determined as net adjustments on loans to customers on gross loans to customers) is shown below:

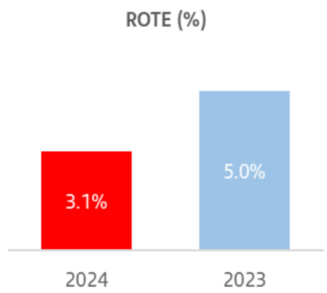


Taxes decreased due to the combined effect of the reduction in the profit before tax and the positive effect deriving from the Patent Box concession of Euro 7.9 million (for more information, please refer to the Consolidated Report on Operations - Other facts worthy mentioning - Tax aspects), despite the negative effect deriving from the abolition of ACE (Aid to Economic Growth, applicable to the capital base of the company).

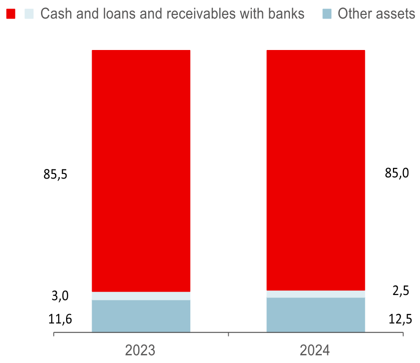
The profit after tax amounted to Euro 28.9 million (Euro 42.9 million in 2023).

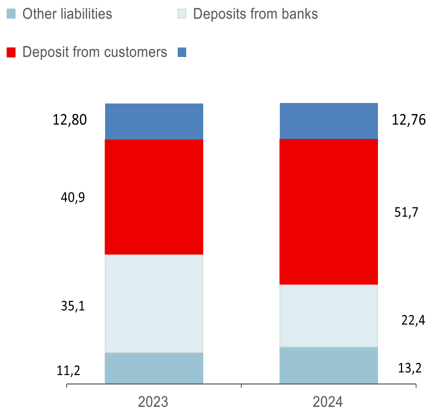
The development of the RoRWA indicator (determined as profit after tax on average annual risk-weighted assets) and the RoTe (determined as profit after tax on equity net of intangible assets and average annual profit for the period) is shown below.





D.2 - Main balance sheet aggregates





in percentage value

Assets consist mainly of loans to customers, which breakdown as follows:

€/milion	Total		Change	
	2024	2023	Absolute	(%)
Car loan	2,912	2,879	33	11.0
Special-purpose loan	431	444	(13)	(2.9)
Personnel loan	1,994	1678	317	18.9
Cards	3	3	(0)	(11.3)
Leasing	172	182	(10)	(5.3)
Salary assignment	723	896	(173)	(19.3)
Stock financing	171	109	61	55.9
Factoring				
Other loans to customers	230	110	121	110.1
Other components of amortised cost	186	178	8	4.4
Gross loans to customers	**6,822**	**6,479**	**343**	**5.3**
Provision for loan losses	(179)	(163)	(16)	9.5
Net loans to customers	**6,643**	**6,316**	**328**	**5.2**

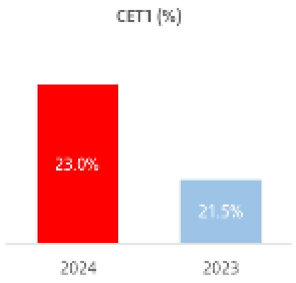
The aggregate, which grew overall (+5.3%), was affected by:

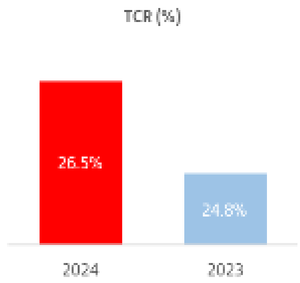
- the natural repayment of loans, which have an extension of the average life compared to the past, deriving mainly from the growth of the personal loan portfolio;
- the disbursements of new instalment business generated during the year (for greater information, please refer to the separate Report on operations - Performance of interest-bearing assets and liabilities - New Business).

Cash and cash equivalents and debt securities (made up entirely of Italian government securities) decreased (-11%) as a result of ordinary liquidity management policies instrumental to regulatory indicators.

Liabilities mainly consist of financial payables to banks and customers, up +3.6% in relation to the needs of the assets (for greater information, please refer to the Separate report on operations - Performance of interest-bearing assets and liabilities - Funding).

The increase in shareholders' equity (+2.9%), due to the allocation to reserves from the previous result, is more than adequate with respect to regulatory requirements, as highlighted by the CET1 (Common Equity Tier 1 ratio determined as risk-weighted assets on the highest capital level) and the TCR (Total Capital Ratio determined as risk-weighted assets on own funds):





E - Subsequent significant events

Pursuant to IAS 10, these financial statements were authorised for publication by the Board of Directors on 19 February 2025.

Since the end of the year and up to the date of approval of the draft financial statements by the Board of Directors, there have been no events or transactions that could have a significant impact on the results explained in this report. Therefore, the draft financial statements reflect all events that affected the Bank's operations in 2024.

F - Strategic management and outlook

See the Consolidated report on operations, Section F - Strategic management and outlook.

G - ESG

See the Consolidated report on operations, Section G - ESG.

H - Other information

Research and development

In the course of 2024, no activities were performed that qualified as research and development.

Risks and related hedging policies

With regard to the main risks and uncertainties to which the Bank is exposed, in accordance with the provisions of article 2428 of the Italian Civil Code, it should be noted that the operating results, financial position and cash flows could be influenced by the general macroeconomic framework and by financial market trends and the performance of the reference sector, as described in detail previously.

With regard to the information required by the Italian Civil Code on the Bank's objectives and policies in financial risk management, as per paragraph 6-bis of article 2428 of the Italian Civil Code, as well as in relation to the use of financial instruments, reference should be made to Part E of the Notes to the financial statements.

Treasury shares

The Bank does not possess any treasury shares (or those of its parent companies), either through a trust company or a third party.

Management and coordination

The Company operates in full managerial autonomy in accordance with the strategic and operational guidelines issued by the Parent Company Santander Consumer Finance S.A., which carries out management and coordination pursuant to article 2497 bis of the Italian Civil Code and article 23 of Italian Legislative Decree no. 385 of 1 September 1993, as updated to incorporate the amendments introduced by Italian Legislative Decree no. 223 of 14 November 2016.

The Notes to the financial statements are accompanied by a statement summarising the essential data of the last set of approved financial statements (those for the year ended 31 December 2023) of the entity that carries out management and coordination (Santander Consumer Finance).

Related parties

With regard to the disclosure on related parties, please refer to Part H of the Notes to the financial statements.

Report of the Board of Statutory Auditors on the Financial Statements at 31 December 2024

Report of the Board of Statutory Auditors on the Financial Statements as at 31 December 2024

SANTANDER CONSUMER BANK SPA
Registered office in Corso Massimo D'Azeglio 33/E, Turin, Italy
Share capital Euro 573,000,000
Turin Companies' Register enrolment number 05634190010
Parent Company of the Santander Consumer Bank S.p.A. Banking Group
Company subject to the direction and coordination of Santander Consumer Finance S.A.

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS 'MEETING PURSUANT TO ARTICLE 2429.2 OF THE ITALIAN CIVIL CODE

Dear Shareholders,

By means of this Report, we report on the supervisory and control activities carried out by the Board of Statutory Auditors during 2024, in fulfilment of the mandate received and in accordance with articles 2403 - 2403 bis of the Italian Civil Code, and the applicable primary and secondary legislation.

During 2024, the Board of Statutory Auditors carried out its institutional duties in compliance with the Italian Civil Code, Italian Legislative Decree no. 385/1993 (TUB, Consolidated Banking Act) and subsequent amendments and/or additions, the statutory regulations and those issued by the Authorities that carry out supervisory and control activities, also taking into account the rules of conduct recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian National Council of Chartered Accountants and Accounting Experts).

The Board of Directors has made the following documents available, approved during the meeting of 19 February 2025, relating to the year ended 31 December 2024:

- draft financial statements, including the notes to the financial statements and cash flow statement;
- report on operations.

This report was approved collectively and in time for its filing care of the company's registered offices.

Supervisory activities pursuant to article 2403 et seq. of the Italian Civil Code.

The activities carried out by the Board of Statutory Auditors concerned, in terms of time, the entire year, and during the same period the periodic meetings required by law and by the Articles of Association were held; minutes of these meetings were prepared and duly signed for unanimous approval.

In particular, it is declared that the Board of Statutory Auditors:

- supervised compliance with the law and the articles of association and with the principles of proper administration as well as, insofar as it is responsible, the adequacy of the organisational structure adopted by the Bank, also through the collection of data and information from the heads of the corporate functions;
- supervised the adequacy and functioning of the administrative-accounting structure; took part in the Shareholders' Meetings and meetings of the Board of Directors held during the year, continuously following the development of company decisions and the performance of the Bank in its various operational aspects, as well as contingent and/or extraordinary issues for the purpose of identifying the economic and financial impact on the result for the year and on the capital structure, as well as any risks, monitored on a constant basis; the meetings were held in compliance with the statutory, legislative and regulatory provisions governing their functioning. In particular, we did not find any violations of the law or the articles of association; nor operations that are manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company assets;
- it also participated in the meetings of the risk committee and the meetings of the control function coordination committee, acquiring the related records;
- during the meetings held, acquired information from the Chief Executive Officer on the general business performance and on its expected development, as well as on the transactions of greatest importance, in terms of size or characteristics, carried out by the company and, on the basis of the acquired information, we do not have specific comments to make;
- carried out checks on the issues subject to supervision and control, also making use of the evidence of the second- and third-level control units; monitored the activities carried out by the Bank in compliance with anti-money laundering and terrorist funding obligations;
- supervised the adequacy of the "Internal Control System" and the "Corporate Governance" rules established by Law, the Articles of Association and secondary legislation on the matter;
- held periodic meetings with the independent auditors PricewaterhouseCoopers

S.p.A. for the purpose of exchanging information relating to the supervisory and control activities under their respective responsibilities, from which nothing reprehensible or significant against the Bank emerged;

- supervised the independence of the independent auditors; in particular, the report on independence issued by the latter pursuant to article 17 of Italian Legislative Decree no. 39/2010 does not highlight situations that have compromised its independence or causes of incompatibility;
- supervised the adequacy and the compliance with the regulatory framework of the remuneration policies and practices adopted by the Bank.

The Board of Statutory Auditors also formally acknowledges that:

- during 2024, no complaint was received pursuant to article 2408 of the Italian Civil Code or notices of a different nature that require mention in this Report. No complaints were made pursuant to article 2409, paragraph 7, of the Italian Civil Code. The Board of Statutory Auditors did not have to intervene due to omissions of the Board of Directors pursuant to article 2406 of the Italian Civil Code;
- no atypical or unusual transactions were carried out with third parties and/or related parties; transactions with related parties are illustrated in Part H of the Notes to the Financial Statements and referred to in the Report on Operations, as required by article 2428, paragraph 3, of the Italian Civil Code;
- dealings and transactions with company representatives were carried out in compliance with article 2391 of the Italian Civil Code, article 136 of the Consolidated Banking Act and the Provisions on risk assets and conflicts of interest with respect to related parties.

During the supervisory activities, as described above, no other significant facts emerged, which would require mentioning in this report.

Annual financial statements

The Board examined the draft financial statements for the year ended on 31 December 2024 which were made available, following approval by the Board of Directors during the meeting held on 19 February 2025, within the terms set out in article 2429 of the Italian Civil Code, in relation to which we report the following.

The financial statements have been prepared in compliance with the international accounting standards (IAS and IFRS) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), implemented in Italy by Italian Legislative Decree no. 38/2005. Account was also taken of the instructions relating to financial statements of banks contained in Bank of Italy circular no. 262/2005, as subsequently updated and supplemented.

Since the official audit of the financial statements was not entrusted to the Board of Statutory Auditors, the Board oversaw the general approach given to the same, its general compliance with the law with regard to its formation and structure and in this regard there are no particular observations to report.

the Board checked compliance with the legal provisions pertaining to the preparation of the report on operations and we have no particular observations in this regard.

On 11 March 2024, the Board acquired the Independent Auditors' Report pursuant to article 14 of Italian Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014, which discloses the following:

- in the opinion of the independent auditing firm, the financial statements "*provide a true and fair view of the equity and financial position of the Company as at 31 December 2024, of the economic result and cash flows for the year ended on that date in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the provisions issued in implementation of article 43 of Italian Legislative Decree no. 136/2015*";
- that this opinion is based on the acquisition, by the same auditing firm, of sufficient and appropriate audit evidence;
- again in the opinion of the Independent Auditing Firm, "*the report on operations is consistent with the annual financial statements of Santander Consumer Bank S.p.A. as at 31 December 2024*" and also "*is drawn up in compliance with the law*".

Observations and proposals regarding the approval of the financial statements

Considering the results of the activities we have carried out and the opinion expressed in the audit report issued by the party in charge of the official audit, we invite the shareholders to approve the financial statements for the year ended 31 December 2024, as drawn up by the Directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the result for the year formulated by the Directors.

Turin, Italy, 11 March 2025

The Board of Statutory Auditors

Walter Bruno
Chairman of the Board of Statutory Auditors

Maurizio Giorgi
Acting Auditor

Marta Montalbano
ActingAuditor

Santander

Notice of calling of the Shareholders' Meeting

Notice of calling of the Shareholders' Meeting

The Ordinary General Meeting of the shareholders of Santander Consumer Bank S.p.A. has been convened, in first call, for 26 March 2025 at 12.00 in Turin, Corso Massimo D'Azeglio 33/E, and, if necessary, in second call for 27 March 2025, at the same place and time, to discuss and vote on the following agenda:

1. The Report on Operations and the Financial Statements as at 31 December 2024. Statutory Auditors' Report and Independent Auditors' Report. Inherent and consequent resolutions;
2. Information on the 2024 remuneration and incentive system;
3. Appointment of a Director and determination of the related remuneration; inherent and consequent resolutions;
4. 2025 remuneration and incentive policies; inherent and consequent resolutions;
5. Appointment of a new firm of independent auditors for the financial years 2025 to 2033 and determination of the audit fee; related and consequent resolutions.

Proposals to the Shareholders' Meeting

Proposals to the Shareholders' Meeting

Proposal of allocation of the net profit

Dear Shareholders,

As we have mentioned already, the year ended with a net profit of Euro 28.865.991.

We propose that profit be allocated as follows:

	euro
Net profit for the period	28,865,991
Legal reserve	27,422,691
Extraordinary reserve	1,443,300

Independent Auditors' Report on the Financial Statements at 31 December 2024

Independent Auditors' Report on the financial statements at 31 December 2024

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

Santander Consumer Bank SpA

Financial statements as of 31 December 2024

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Sole Shareholder of
Santander Consumer Bank SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Santander Consumer Bank SpA (hereinafter, also, the "Company"), which comprise the balance sheet as of 31 December 2024, the income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024 and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 43 of Legislative Decree No. 136/2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Evaluation of loans and advances to customers for loans measured at amortised cost *Notes to the financial statements:* *Part A – Accounting policies* *Part B – Information on the balance sheet, Assets - Section 4* *Part C – Information on the income statement, Section 8* *Part E – Information on risks and related hedging policies* Loans and advances to customers for loans, which at 31 December 2024 represented a considerable share of item 40 b) *"Financial assets measured at amortised cost – Loans and advances to customers"*, showed a balance of Euro 6,643 million, accounting for about 85 per cent of total assets in the financial statements. The net adjustments recognised during the year amounted to Euro 83 million and represented the best estimate made by the directors in order to adjust the expected credit losses at the balance sheet date on the basis of the applicable accounting standards. The process of classification into the different risk categories and the evaluation methods are characterised by a high level of complexity and require the estimation of numerous variables. The use of significant assumptions is especially relevant to the verification of the Significant Increase in Credit Risk (SICR), to the allocation to the different risk stages (Staging), to the elaboration and determination of the risk parameters underlying the Expected Credit Loss (ECL), as well as to the identification of any evidence of impairment. In the reporting period, in addition to proceeding with the ordinary recalibration process of the risk parameters, which envisaged the update of the time series and macroeconomic scenarios, the Company introduced new calibrations on the SICR rules	As part of our audit, we took into consideration the internal control system relevant to the preparation of the financial statements in order to design appropriate audit procedures in the circumstances. In order to address this key audit matter, we carried out the following main activities, also with the support of PwC network experts: • Analysing the adequacy of the IT environment and reviewing the operational effectiveness of the relevant controls overseeing the IT systems and applications used; • Understanding and evaluating the design of the relevant controls within the monitoring, classification and valuation of loans and verifying the operational effectiveness of such controls; • Understanding and verifying the appropriateness of the policies, procedures and models used to measure the SICR, for the Staging and to determine the ECL; • Understanding and analysing the methods to determine the main risk parameters used to determine the ECL; in particular, attention was paid on checking the reasonableness of the recalibration process of the PD (Probability of Default) and LGD (Loss Given Default) risk parameters, as well as the estimates made in defining the expected macroeconomic scenarios, also through comparison with external sources; • Verifying the reasonableness of the assumptions and evaluations underlying the methods to manage post-model adjustments/management overlays, as well as the new calibrations on the SICR rules; • Verifying the completeness and accuracy of the data bases used for ECL calculation purposes; • Verifying, on a sample basis, the reasonableness of the classification among performing loans and non-performing loans (Staging), on the basis of available

and, in line with the prior years, made use of post-model adjustments/management overlays. We focused our attention on the evaluation of these loans as part of our audit work, considering the significance of their book value, as well as the complexity of the evaluation processes and methods.	information about the debtor's status, in addition to the correct allocation of the applicable risk parameters and the accuracy of the ECL calculation formula; • Examining the completeness and adequacy of the disclosures provided in the notes to the financial statements in accordance with the applicable international accounting standards and regulatory framework.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 43 of Legislative Decree No. 136/2015 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

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

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 30 March 2016, the shareholders of Santander Consumer Bank SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

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

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

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Santander Consumer Bank SpA are responsible for preparing a report on operations of Santander Consumer Bank SpA as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

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

In our opinion, the report on operations is consistent with the financial statements of Santander Consumer Bank SpA as of 31 December 2024.

Moreover, in our opinion, the report on operations is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Rome, 11 March 2025

PricewaterhouseCoopers SpA

Signed by

Lorenzo Bellilli
(Partner)

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

Financial Statements

Balance Sheet

In Euro

	Voci dell'attivo	31/12/2024	31/12/2023
10.	Cash and cash balances	127,415,103	131,326,909
20.	Financial assets designated at fair value through profit or loss	40,171,440	46,781,054
	a) Financial assets held for trading	40,171,440	46,781,054
30.	Financial assets at FV with effects on P&L	-	150,253,942
40.	Financial assets measured at amortised cost	7,015,728,562	6,607,531,989
	a) Loans and advances to banks	70,990,675	91,706,669
	b) Loans and advances to customers	6,944,737,887	6,515,825,320
50.	Hedging derivatives	8,827,278	78,896,664
60.	Changes in fair value of portfolio hedged items (+/-)	4,347,393	(50,280,555)
70.	Equity investments	345,689,712	345,689,712
80.	Property, plant and equipment	12,831,403	14,055,491
90.	Intangible assets	16,688,979	23,673,182
100.	Tax assets	135,887,091	138,672,449
	a) current	38,432,632	21,934,716
	b) deferred	97,454,459	116,737,733
120.	Other assets	108,713,767	80,217,254
	Total Assets	**7,816,300,728**	**7,566,818,091**

	Liabilities and Shareholders' equity	31/12/2024	31/12/2023
10.	Financial liabilities valued at amortised cost	6,556,036,642	6,327,532,202
	a) Deposits from banks	1,746,877,211	2,652,702,857
	b) Deposits from customers	4,039,241,825	3,097,572,156
	c) Debt securities in issue	769,917,606	577,257,189
20.	Financial liabilities held for trading	41,280,463	47,471,978
40.	Hedging derivatives	32,591,891	16,166,423
60.	Tax liabilities	-	2,451,144
	a) current	-	2,287,128
	b) deferred	-	164,016
80.	Other liabilities	178,520,085	189,218,860
90.	Provision for employee severance pay	1,788,277	2,294,446
100.	Provisions for risks and charges	9,265,312	13,764,038
	a) commitments and guarantees given	4,424	-
	c) other	9,260,888	13,764,038
110.	Valuation reserves	(626,194)	(659,261)
140.	Reserves	394,945,675	352,081,969
150.	Share premium	632,586	632,586
160.	Share capital	573,000,000	573,000,000
180.	Net Profit (Loss) for the year (+/-)	28,865,991	42,863,706
	Total liabilities and Shareholders' Equity	**7,816,300,728**	**7,566,818,091**

Income Statement

In Euro

	Items	31/12/2024	31/12/2023
10.	Interest and similar income	448,157,561	392,601,587
	of which: interest income calculated using the effective interest method	368,027,613	304,239,590
20.	Interest expenses and similar charges	(290,786,814)	(216,916,899)
30.	**Net interest margin**	**157,370,747**	**175,684,688**
40.	Fee and commission income	78,319,376	72,000,922
50.	Fee and commission expenses	(35,794,732)	(31,815,711)
60.	**Net fee and commission**	**42,524,644**	**40,185,211**
80.	Net income financial assets and liabilities held for trading	(757,455)	(769,439)
90.	Net hedging gains (losses) on hedge accounting	(408,951)	(1,499,675)
100.	Gains and losses on disposal of:	14,568,038	6,319,040
	a) financial assets at amortised cost	14,568,038	6,319,040
120.	**Operating income**	**213,297,023**	**219,919,825**
130.	Net losses / recoveries on credit risk relating to	(83,259,388)	(45,537,886)
	a) financial assets at amortised cost	(83,259,388)	(45,537,886)
150.	**Net profit from financial activities**	**130,037,635**	**174,381,939**
160.	Administrative costs:	(114,051,871)	(124,419,866)
	a) payroll costs	(45,674,737)	(63,652,562)
	b) other administrative costs	(68,377,134)	(60,767,304)
170.	Net provisions for risks and charges	100,601	(54,154)
	a) commitments and financial guarantees given	(4,424)	-
	b) other net provisions	105,025	(54,154)
180.	Net adjustments / writebacks on property, plant and equipment	(2,749,722)	(3,923,247)
190.	Net adjustments / writebacks on intangible assets	(12,782,370)	(16,270,753)
200.	Other operating income/expenses	30,624,260	29,849,775
210.	**Operating costs**	**(98,859,102)**	**(114,818,245)**
260.	**Total profit or loss before tax from continuing operations**	**31,178,533**	**59,563,694**
270.	Tax income of the year from continuing operations	(2,312,542)	(16,699,988)
280.	**Total profit or loss after tax from continuing operation**	**28,865,991**	**42,863,706**
300.	**Profit or loss for the year**	**28,865,991**	**42,863,706**

Statement of Comprehensive Income

In Euro

	Items	31/12/2024	31/12/2023
10.	**Net Profit (Loss) for the year**	**28,865,991**	**42,863,706**
70.	Defined benefit plans	(25,624)	(155,662)
140.	Financial assets (no equity securities) measured at fair value with an impact on total profitability	58,691	837,010
170.	**Total other income components after tax**	**33,067**	**681,348**
180.	**Overall profitability (Item 10 + 170)**	**28,899,059**	**43,545,054**

Statement of changes in Shareholders' Equity

In Euro

Financial year 2024

	Balance at 12.31.2023	Changes in opening balances	Balance at 1.1.2024	Allocation of prior year results		Changes during the year								Shareholders' equity at 12.31.2024
							Transactions on shareholders' equity							
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Redditività complessiva esercizio 2024	
Share capital:	**573,000,000**		**573,000,000**											**573,000,000**
a) ordinary shares	573,000,000		573,000,000											573,000,000
b) other shares														
Share premium reserve	**632,586**		**632,586**											**632,586**
Reserves:	**352,081,969**		**352,081,969**	**42,863,706**										**394,945,675**
a) retained earnings	312,169,282		312,169,282	42,863,706										355,032,988
b) other	39,912,687		39,912,687											39,912,687
Valuation reserves	**(659,261)**		**(659,261)**										**33,067**	**(626,194)**
Equity instruments														
Treasury shares														
Net profit (loss) for the period	**42,863,706**		**42,863,706**	**(42,863,706)**									**28,865,991**	**28,865,991**
Shareholders' equity	**967,919,000**		**967,919,000**										**28,899,058**	**996,818,058**

Financial year 2023

	Balance at 12.31.2022	Changes in opening balances	Balance at 1.1.2023	Allocation of prior year results		Changes during the year								Shareholders' equity at 12.31.2023
							Transactions on shareholders' equity							
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Redditività complessiva esercizio 2023	
Share capital:	**573,000,000**		**573,000,000**											**573,000,000**
a) ordinary shares	573,000,000		573,000,000											573,000,000
b) other shares														
Share premium reserve	**632,586**		**632,586**											**632,586**
Reserves:	**260,402,121**		**260,402,121**	**91,679,848**										**352,081,969**
a) retained earnings	220,489,434		220,489,434	91,679,848										312,169,282
b) other	39,912,687		39,912,687											39,912,687
Valuation reserves	**(1,340,609)**		**(1,340,609)**											**(659,261)**
Equity instruments														
Treasury shares														
Net profit (loss) for the period	**91,679,848**		**91,679,848**	**(91,679,848)**										**42,863,706**
Shareholders' equity	**924,373,946**		**924,373,946**											**967,919,000**

Cash Flow Statement (Indirect Method)

In Euro

A. OPERATING ACTIVITIES	Amount	
	31/12/2024	31/12/2023
1. Liquidity generated from operations	**12,954,735**	**135,130,808**
- net profit for the year (+/-)	28,865,991	42,863,706
- net gains/losses on financial assets held for trading and financial assets designated at fair value through profit or loss (+/-)	418,100	662,977
- gains (losses) from hedging activities (+/-)	31,866,906	(3,711,635)
- net adjustments for credit risk (+/-)	15,479,446	3,988,363
- impairment/recoveries to property and equipment and intangible assets (+/-)	13,447,203	20,194,001
- net provisions for risks and charges and other costs/income (+/-)	(77,437,262)	81,789,129
- net premiums not collected (-)		
- other income insurance income/expense not collected (-/+)		
- unsettled taxes and tax credit (+/-)	338,574	(7,569,946)
- impairment/recoveries to disposal groups net of tax effect (-/+)		
- other adjustments (+/-)	(24,223)	(3,085,786)
2. Liquidity generated/absorbed by financial assets	**(381,171,775)**	**(363,639,675)**
- financial assets held for trading		
- financial assets designated at fair value through profit and loss		
- financial assets mandatorily designated at fair value		
- financial assets measured at fair value with an impact on total profitability	148,019,192	155,014,988
- financial assets measured at amortized cost	(504,639,586)	(549,625,115)
- other assets	(24,551,381)	30,970,452
3. Liquidity generated/absorbed by financial liabilities	**371,462,035**	**49,046,169**
- financial liabilities measured at amortized cost	374,516,075	29,392,681
- financial liabilities held for trading		4,697
- financial liabilities designated at fair value through profit and loss		
- other liabilities	(3,054,040)	19,648,791
Net Liquidity generated/absorbed by operating activities	**3,244,996**	**(179,462,697)**
B. INVESTING ACTIVITIES		
1. Liquidity generated by	**19**	
- sale of equity investments		
- dividends collected on equity investments		
- sale of property and equipment	19	
- sale of intangible assets		
- sale of lines of business		
2. Liquidity absorbed by	**(7,156,820)**	**(165,312,864)**
- purchase of equity investments		(155,700,000)
- purchase of property and equipment	(1,358,653)	(131,884)
- purchase of intangible assets	(5,798,167)	(9,480,980)
- purchase of lines of business		
Net Liquidity generated/absorbed by investing activities	**(7,156,801)**	**(165,312,864)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares		
- issue/purchase of equity instruments		
- dividends distributed and other allocations		
Net Liquidity generated/absorbed by financing activities		
NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**(3,911,806)**	**(344,775,561)**

Key:
(+) generated
(-) absorbed

Reconciliation

Items	Amount	
	31/12/2024	31/12/2023
Cash and cash equivalents at beginning of year	**131,326,909**	**476,102,470**
Net increase (decrease) in cash and cash equivalents	**(3,911,806)**	**(344,775,561)**
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at end of year	**127,415,103**	**131,326,909**

Notes to the Financial Statements

Part A – Accounting Policies

A.1 – General information

Section 1 – Declaration of compliance with International Financial Reporting Standards

Pursuant to Italian Legislative Decree no. 38 of 28 February 2005, the financial statements have been prepared in compliance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission, as established by EU Regulation no. 1606 of 19 July 2002.

The Financial Statements have been prepared in accordance with Circular no. 262/05 (hereinafter also the Circular) as subsequently amended by the 8th update of 17 November 2022 (applied as from the financial statements relating to the year ended or underway as at 31 December 2023), "Banks financial statements: layouts and preparation" issued by the Bank of Italy, in the exercise of the powers established by article 9 of Italian Legislative Decree no. 38/2005 and with the Regulation of 22 December 2005. These Instructions establish binding rules governing the financial statements and how they are to be prepared, including the contents of the Notes to the financial statements.

On 21 December 2021, the Bank of Italy published the Communication "Amendment of the additions to the provisions of Circular no. 262, Bank financial statements: layout and preparation" concerning the impacts of COVID-19 and measures to support the economy. In March 2023, this provision was updated, eliminating the request for information relating to loans assisted by a grace period, while information on loans subject to public guarantee continues to be requested. This integration to Circular no. 262 is not applicable as the Group, at the reporting date, does not have loans assisted by a grace period subject to public guarantee.

In preparing the Financial Statements the IAS/IFRS in force as of the reference date of this dossier have been applied (including the SIC and IFRIC interpretations), as endorsed by the European Commission.

Listed below are changes to international accounting standards or related interpretations, approved by the European Commission, in force as of the balance sheet date:

- amendments to IAS 1 "Presentation of the Financial Statements":
  - "Classification of liabilities as current or non-current" published on 23 January 2020 and "Classification of liabilities as current or non-current - deferral of the date of entry into force" published on 15 July 2023. These amendments clarify how an entity should classify liabilities as current or non-current;
  - "Non-current liabilities with covenants" published on 31 October 2022. These amendments aim to clarify the classification in the financial statements of long-term payables subject to compliance with covenants;
- amendments to IAS 7 "Cash flow statement" and IFRS 7 "Financial instruments: supplementary information: loan agreements with suppliers" published by the IASB on 25 May 2023. These amendments aim to improve the disclosure on loan exposures to suppliers, supplementing the qualitative and quantitative reporting and disclosure obligations of the company's loan transactions and exposures to suppliers. The objective is the transparency of the disclosure in order to be able to assess the sustainability of the debt more reliably;
- amendments to IFRS 16 "Leases: Lease liabilities in a Sale and Leaseback transaction" published by the IASB on 22 September 2022. These amendments envisage that, in the application of the requirements for the measurement of lease liabilities in a sale and leaseback transaction, the seller-lessee determines the leasing charges or revised leasing charges in such a way as not to recognise any amount of profit or loss referring to the right of use retained by said seller-lessee.

Listed below are the relevant amendments issued by the IASB that will become effective after the balance sheet date:

- amendments to IAS 21 "Effects of the changes in foreign exchange rates": lack of convertibility published by the IASB on 15 August 2023. The Amendments arose following a request submitted to the IFRS Interpretations Committee regarding the determination of the exchange rate in the event that a currency is not convertible into another currency, which has led to differences in practice. The Amendments introduce requirements to establish when a currency is convertible into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it determines that a currency is not convertible into another currency. The amendments will apply from 1 January 2025; early application is permitted.

Listed below are the relevant amendments issued by the IASB but not yet endorsed, that will become effective after the balance sheet date and therefore are not applicable:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7). The amendments concern the derecognition of financial liabilities settled through electronic transfers; the classification of financial assets envisages changes in contractual terms that change the timing or amount of contractual cash flows, financial assets with "non-recourse" characteristics (without recourse) and investments in multiple instruments linked contractually. The amendments will apply from 1 January 2026.
- IFRS 18 "Presentation and disclosure in financial statements" will replace IAS 1 "Presentation of financial statements" and will be in force on a mandatory basis for years beginning on or after 1 January 2027. IFRS 18, published by the IASB on 9 April 2024, establishes new significant requirements for the presentation of financial statements, with a particular focus on: the income statement, including requirements regarding the mandatory presentation of sub-totals and combination and unbundling of information.
- Amendments to IFRS 19 "Subsidiaries without public accountability" envisaged that subsidiaries that meet certain eligibility criteria may choose to apply reduced disclosure obligations with respect to the disclosure obligations of the IFRS Accounting Standards when they comply with the recognition, measurement and presentation obligations of the IFRS Accounting Standards. Application is voluntary and will be effective from 1 January 2027 or later.
- Annual Improvements to accounting standards - Volume 11. In July 2024, the IASB issued a series of amendments that clarify the formulation of a standard, simplify or correct conflicts between the provisions of the accounting standards. The amendments will apply from 1 January 2026, but early adoption is permitted and, if applied, indication of this is required. The amendments made by the annual improvements do not introduce new disclosure obligations. The accounting standards subject to improvement are shown below:
  - IFRS 1 - First-time adoption of International Financial Reporting Standards;
  - IFRS 7 - Financial instruments: Disclosures and related Guide to the application of the accounting standard;
  - IFRS 9 - Financial instruments;
  - IFRS 10 - Consolidated financial statements;
  - IAS 7 - Statement of cash flows.

Considering the scope of the amendments in question, there are no significant impacts for the Bank.

Section 2 – Basis of preparation

The financial statements consist of the balance sheet, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement and the notes to the financial statements and are also accompanied by the directors' report on operations, results and financial position.

In compliance with the matters laid down by article 5 of Italian Legislative Decree no. 38/2005, the Financial statements have been drawn up using the Euro as the reporting currency and the amounts in the accounting schedules are expressed in Euro, whereas unless otherwise specified, those in the Notes to the financial statements and the Report on operations are expressed in thousands of Euro.

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

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

The Report on Operations and the Notes to the Financial Statements provide the information required by International Accounting Standards, by Italian law and by the Bank of Italy, as well as other non-mandatory information considered necessary to give a true and fair view of the Bank's situation.

In addition to the figures for the reporting period, the financial statements and notes to the financial statements also provide comparative figures referring to the previous year.

Contents of the financial statements

Balance sheet and Income statement

The formats used for the balance sheet and income statement are made up of items, sub-items and other disclosure details (the "of which" of the items and sub-items).

For the sake of completeness, you are hereby informed that with reference to the formats laid down by the Bank of Italy, the items which do not present amounts both for the year under review and for the previous one are not shown. In the income statement, revenues are shown without a sign, whereas costs are shown in brackets.

Statement of comprehensive income

The statement of comprehensive income, starting from the profit (loss) for the year, shows the income components recognised against the valuation reserves, net of the related tax effect, in compliance with international accounting standards.

Comprehensive income is represented by providing separate evidence of the income components that will not be reversed to the income statement in the future and those that, by contrast, may be subsequently reclassified under profit (loss) for the year if certain conditions are met.

As with the balance sheet and income statement, with respect to the formats laid down by the Bank of Italy, the items which do not present amounts both for the year under review and for the previous one are not shown. In the statement of comprehensive income, revenues are shown without a sign, whereas costs are shown in brackets.

Statement of changes in shareholders' equity

The statement of changes in shareholders' equity shows the composition and changes in shareholders' equity accounts during the year under review and the previous one, divided into share capital, capital reserves, profit reserves and reserves from the measurement of balance sheet assets and liabilities and the result for the year.

Cash flow statement

The cash flow statement for the current year under review and the previous year has been prepared using the indirect method, whereby cash flows from operating activities are represented by the result for the year adjusted for effects of non-monetary transactions. Cash flows are broken down into those generated by operating activities, investing activities and funding activities.

In this statement, the cash flows generated during the year are shown without a sign, whereas those absorbed are shown in brackets.

Notes to the Financial Statements

The Notes to the financial statements include the information envisaged by the international accounting standards and Circular no. 262 of the Bank of Italy issued on 22 December 2005 and subsequent amendments applicable to the preparation of these Financial statements.

To reflect in full the formats laid down by the Bank of Italy, we also show the headings of sections on Financial statements items with zero balances in the year of reference and in the previous one.

Section 3 – Subsequent events

Pursuant to IAS 10, these financial statements were authorised for publication by the Board of Directors on 19 February 2025.

Since the end of the year and up to the date of approval of the draft Financial statements by the Board of Directors, there have been no significant events or transactions that could have a significant impact on the results explained in this report. Therefore, the draft financial statements reflect all events that affected the Bank's operations in 2024.

Business continuity disclosure

With regard to the information provided in Document no. 4 of 3 March 2010 issued jointly by the Bank of Italy, Consob and ISVAP, regarding "Information to be provided in financial reports on impairment tests, on debt covenants, on debt restructuring and on the fair value hierarchy", which makes reference to the corresponding document no. 2, again issued jointly by these three Authorities, the Company has the reasonable expectation that it will continue to operate in the foreseeable future, and, therefore, has prepared the report on a going concern basis.

More detailed information regarding the main issues and variables existing on the market is contained in the Report on Operations.

Section 4 - Other aspects

The Financial Statements are audited by PricewaterhouseCoopers S.p.A., pursuant to the resolution of the Shareholders' Meeting of 30 March 2016, which appointed this firm to perform the audit for the nine years from 2016 to 2024.

A.2 – Main items in the financial statements

In order to ensure the uniformity of the criteria for the preparation of the financial statements, the Bank has adopted an internal set of rules and policies relating to the various operating and organisational areas.

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

Classification

The financial assets other than those classified under financial assets measured at fair value through other comprehensive income and under financial assets measured at amortised cost are classified in this category.

In particular, this item includes: the positive value of derivative contracts held for trading purposes.

According to the general rules provided for by IFRS 9 in relation to reclassification of financial assets, no reclassifications to other categories of financial assets are permitted except in the event that the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, financial assets may be reclassified from the 'measured at fair value through profit and loss' category to one of the other two categories provided for by IFRS 9 (Financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is represented by the fair value at the time of the reclassification and the effects of the reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the date of reclassification and that date will be considered the date of initial recognition for the assignment to the various stages of credit risk for the purposes of the impairment test.

Recognition

The initial recognition of financial assets takes place on the subscription date for derivative contracts. Upon initial recognition, financial assets measured at fair value through profit and loss are recognised at fair value, without considering the transaction costs and income directly attributable to said instrument.

Measurement

Subsequent to initial recognition, financial assets measured at fair value through profit and loss are measured at fair value. The effects of the application of this measurement approach are recognised in the income statement. In the absence of an active market, to determine the fair value, commonly adopted estimation methods and measurement models are used, which take into account all the risk factors related to the instruments and which are based on data which can be taken from the market.

Derecognition

Financial assets are only derecognised from the financial statements if their disposal involved the substantial transfer of all the risks and benefits related to the assets. On the other hand, if a significant portion of the risks and benefits of the financial assets transferred has been retained, they continue to be recognised in the financial statements, even if legally ownership of the assets has effectively been transferred.

When the transfer of essentially all the risks and benefits cannot be demonstrated, financial assets are derecognised if no form of control over them has been retained. Otherwise, even if only part of this control has been retained, the assets have to be kept in the balance sheet at an amount that reflects the residual involvement, measured by the exposure to changes in the value of assets sold and to variations in their cash flows.

Lastly, financial assets that have been sold are derecognised if the company retains the contractual rights to receive the related cash flows, with a simultaneous obligation to pay such cash flows, and only them, without a significant delay to third parties.

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

Classification

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved both through the collection of contractually envisaged cash flows and through sale ("Hold to Collect and Sell" business model), and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (known as the so-called "SPPI test" passed).

In particular, this item includes debt securities that are attributable to a Hold to Collect and Sell business model and that have passed the SPPI test.

According to the general rules provided for by IFRS 9 in relation to reclassification of financial assets, no reclassifications to other categories of financial assets are permitted except in the event that the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, financial assets may be reclassified from the "measured at fair value through other comprehensive income" category to one of the other two categories envisaged by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit and loss). The transfer value is represented by the fair value at the time of the reclassification and the effects of the reclassification operate prospectively from the date of reclassification. In the event of reclassification from the category in question to the amortised cost category, the accumulated profit (loss) recognised in the valuation reserve adjusts the fair value of the financial asset at the date of reclassification. On the other hand, in the case of reclassification in the fair value category through profit and loss, the accumulated profit (loss) previously recognised in the valuation reserve is reclassified from shareholders' equity to profit (loss) for the year.

Recognition

The initial recognition of financial assets takes place on the settlement date for debt securities. Upon initial recognition, financial assets are measured at fair value, including transaction costs and income directly attributable to the instrument.

Measurement

Subsequent to initial recognition, the Assets classified at fair value through other comprehensive income, are measured at fair value, with recognition in the income statement of the impacts deriving from the application of the amortised cost, of the effects of the impairment and any exchange effect, while other gains or losses arising from changes in fair value are recorded in a specific equity reserve until the financial asset is derecognised. Upon disposal, total or partial, the gain or loss accumulated in the valuation reserve is reversed, in full or in part, to the income statement.

The fair value is determined on the basis of the criteria already illustrated for financial assets measured at fair value through profit and loss.

Financial assets measured at fair value through other comprehensive income are subject to the verification of the significant increase in credit risk (impairment) envisaged by IFRS 9, in the same way as assets measured at amortised cost, with the consequent recognition in the income statement of a value adjustment to cover expected losses. More specifically, on instruments classified in stage 1 (i.e. on financial assets at the time of origination, if not impaired, and on instruments for which there has not been a significant increase in credit risk compared to the initial recognition date) as at the initial recognition date and as at each subsequent reporting date, an expected loss for one year is recognised. On the other hand, for instruments classified in stage 2 (performing for which there was a significant increase in credit risk compared to the initial recognition date) and in stage 3 (non-performing exposures), an expected loss is recorded for the entire residual life of the financial instrument. It is specified that the debt securities issued by the government are not subject to the impairment process.

Derecognition

Financial assets are only derecognised from the financial statements if their disposal involved the substantial transfer of all the risks and benefits related to the assets. On the other hand, if a significant portion of the risks and benefits of the financial assets transferred has been retained, they continue to be recognised in the financial statements, even if legally ownership of the assets has effectively been transferred.

When the transfer of essentially all the risks and benefits cannot be demonstrated, financial assets are derecognised if no form of control over them has been retained. Otherwise, even if only part of this control has been retained, the assets have to be kept in the balance sheet at an amount that reflects the residual involvement, measured by the exposure to changes in the value of assets sold and to variations in their cash flows.

Lastly, financial assets that have been sold are derecognised if the company retains the contractual rights to receive the related cash flows, with a simultaneous obligation to pay such cash flows, and only them, without a significant delay to third parties.

3 – Financial assets measured at amortised cost

Classification

Financial assets (in particular loans and debt securities) that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved through the collection of contractually envisaged cash flows ("Hold to Collect" business model), and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (known as the so-called "SPPI test" passed).

More specifically, this item includes:

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

According to the general rules provided for by IFRS 9 in relation to reclassification of financial assets, no reclassifications to other categories of financial assets are permitted except in the event that the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, financial assets may be reclassified from the "measured at amortised cost" category to one of the other two categories envisaged by IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit and loss). The transfer value is represented by the fair value at the time of the reclassification and the effects of the reclassification operate prospectively from the date of reclassification. Gains or losses arising from the difference between the amortised cost of a financial asset and its fair value are recognised in the income statement in the event of reclassification to Financial assets measured at fair value through profit and loss and to Shareholders' Equity, in the appropriate valuation reserve, in the event of reclassification to Financial assets measured at fair value through other comprehensive income.

Recognition

The initial recognition of financial assets takes place on the settlement date for debt securities, and on the payout date for loans. Upon initial recognition, financial assets are measured at fair value, including transaction costs and income directly attributable to the instrument.

In particular, with regard to loans, the payout date normally coincides with the date of signing of the contract. Loans are recognised with reference to the fair value of the same. This is represented by the amount disbursed or the subscription cost, including costs/revenues that are both directly attributable to the individual loan and identifiable from the start of the transaction, even if they are settled at a later time. Costs which, despite having the above characteristics, are subject to reimbursement by the debtor counterparty are excluded.

Repurchase agreements with forward repurchase or resale obligation are recognised in the financial statements as funding or lending transactions. In particular, spot sales and forward repurchases are recognised in the financial statements as payables for the spot amount received, while spot purchases and forward resales are recognised as receivables for the amount paid forward.

Measurement

After initial recognition, the financial assets under review are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised in the financial statements for an amount equal to the initial recognition value less capital repayments, plus or minus the accumulated amortisation (calculated using the effective interest rate method) of the difference between said initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset) and adjusted by any provision to cover losses. The effective interest rate is calculated as the rate that equates the current value of the future cash flows of the asset, for principal and interest, to the amount disbursed, including costs/income attributable to the same financial asset. This accounting method, using a financial logic, makes it possible to distribute the economic effect of costs/income directly attributable to a financial asset over its estimated residual life.

The amortised cost method is not used for assets - measured at historical cost - whose short duration makes the effect of the application of the discounting logic negligible, and for those without a defined maturity. These instruments are in any case measured according to the 3-stage model envisaged by IFRS 9, like the remaining part of the assets measured at amortised cost. With reference to the accounting representation of the aforementioned measurement effects, the value adjustments referring to this type of assets are recognised in the income statement:

- upon initial recognition, for an amount equal to the expected loss at twelve months;
- at the time of the subsequent measurement of the asset, if the credit risk has not increased significantly compared to the initial recognition, in relation to the changes in the amount of value adjustments for expected losses for the following twelve months;
- at the time of the subsequent measurement of the asset, if the credit risk has increased significantly compared to the initial recognition, in relation to the recognition of value adjustments for expected losses referring to the entire residual life envisaged contractually for the asset;
- at the time of the subsequent measurement of the asset, if - after a significant increase in credit risk with respect to the initial recognition - the "significance" of this increase is then no longer valid, in relation to the adjustment of the cumulative value adjustments so as to take into account the transition from an expected loss over the entire residual life of the instrument ("lifetime") to a twelve month one.

The financial assets in question, if they are performing, are subject to measurement, aimed at defining the value adjustments to be recognised in the financial statements, at individual credit relationship level, based on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD) envisaged by IFRS 9.

If, in addition to a significant increase in credit risk, there is also objective evidence of impairment loss, the amount of the loss is measured as the difference between the book value of the asset - classified as "impaired", on a par with all the other relationships with the same counterparty - and the current value of the estimated future cash flows, discounted at the original effective interest rate. The amount of the loss, to be recognised in the income statement, is defined on the basis of an analytical measurement process or determined by standard categories and, therefore, assigned to each position and takes into account forward-looking information and possible alternative recovery scenarios. The category of impaired assets includes financial instruments that have been assigned the status of non-performing, unlikely to pay or past due/past due by more than ninety days according to the rules of the Bank of Italy, consistent with IAS/IFRS and European supervisory regulations. Expected cash flows take account of the likely recovery period and the estimated realisable value of any guarantees. The original effective rate of each asset remains unchanged over time even if a restructuring of the relationship has taken place, which has led to a change in the contractual rate and even if the relationship becomes, in practice, contractually interest-free.

If the reasons for impairment loss cease to exist due to an event occurring after recognition of the impairment, write-backs are made and booked to the income statement. The write-back cannot exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments. Write-backs associated with the passing of time are recognised in the interest margin.

In some cases, during the life of the financial assets in question and, in particular, of the loans, the original contractual conditions are subsequently modified by will of the parties to the contract. When, during the life of an instrument, the contractual clauses are subject to change, it is necessary to verify whether the original asset must continue to be recognised in the financial statements or if, on the contrary, the original instrument must be derecognised from the financial statements and a new financial instrument must be recognised. In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial". The assessment of the "substantiality" of the change must be carried out considering both qualitative and quantitative elements. In some cases, in fact, it may be clear, without recourse to complex analysis, that the changes introduced substantially change the characteristics and/or contractual flows of a given asset while, in other cases, further analysis (including quantitative) will have to be carried out to appreciate the effects of the same and check the need to proceed or otherwise with the derecognition of the asset and the recognition of a new financial instrument. The (quali-quantitative) analysis aimed at defining the "substantiality" of the contractual changes made to a financial asset must therefore consider:

- the purposes for which the changes were made: for example, renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty:
  - the former, aimed at "retaining" the customer, involve a borrower who is not in a situation of financial difficulty. This case includes all the renegotiation transactions aimed at adjusting the debt burden to market conditions. These transactions involve a change in the original conditions of the agreement, usually requested by the borrower, which concerns aspects related to the debt burden, with a consequent economic benefit for the same borrower. In general, it is believed that, whenever the bank carries out a renegotiation in order to avoid losing its customer, this renegotiation must be considered substantial since, if it were not carried out, the customer could obtain financing from another intermediary and the bank would suffer a decrease in expected future revenues;
  - the latter, carried out for "credit risk reasons" (forbearance measures), are attributable to the bank's attempt to maximise the recovery of the cash flows of the original loan. The underlying risks and benefits, subsequent to the amendments, are not generally essentially transferred and, consequently, the accounting representation that offers the most relevant information for the reader of the financial statements (except for that which will be indicated later on objective elements), is that carried out through "modification accounting", which implies the recognition in the income statement of the difference between the book value and the current value of the modified cash flows discounted at the original interest rate and not through derecognition;
- the presence of specific objective elements that affect the characteristics and/or contractual flows of the financial instrument that are considered to involve derecognition in consideration of their impact (expected as significant) on the original contractual flows.

For greater details on the methods for determining expected losses, in application of IFRS 9, as well as the determination and management of the post model adjustments/management overlays to the model, please refer to the Notes to the consolidated financial statements, Part E - Credit risk.

Derecognition

Financial assets are only derecognised from the financial statements if their disposal involved the substantial transfer of all the risks and benefits related to the assets. On the other hand, if a significant portion of the risks and benefits of the financial assets transferred has been retained, they continue to be recognised in the financial statements, even if legally ownership of the assets has effectively been transferred.

When the transfer of essentially all the risks and benefits cannot be demonstrated, financial assets are derecognised if no form of control over them has been retained. Otherwise, even if only part of this control has been retained, the assets have to be kept in the balance sheet at an amount that reflects the residual involvement, measured by the exposure to changes in the value of assets sold and to variations in their cash flows.

Lastly, financial assets that have been sold are derecognised if the company retains the contractual rights to receive the related cash flows, with a simultaneous obligation to pay such cash flows, and only them, without a significant delay to third parties.

4 – Hedging transactions

The Bank avails itself of the possibility, envisaged at the time of introduction of IFRS 9, to continue to fully apply the provisions of IAS 39 on hedge accounting.

Classification

Risk hedging transactions are arranged to neutralise potential losses, attributable to a determinate risk, and detectable on a particular element or group of elements, should that particular risk actually arise.

The types of hedges used are attributable to fair value hedging, which aims to hedge the exposure to changes in the fair value (attributable to different types of risk) of assets and liabilities recognised in the financial statements or portions of them, of groups of assets/liabilities, as permitted by IAS 39 endorsed by the European Commission. Macro hedges aim to reduce fluctuations in fair value, attributable to interest rate risk, of a monetary amount deriving from a portfolio of financial assets or liabilities.

Recognition

Derivative hedging instruments, like all derivatives, are initially recognised and subsequently measured at fair value.

A relationship qualifies as a hedge, and is consistently represented in the accounts, only if all the following conditions are met:

- at the start of the hedge, there is formal designation and documentation of the hedging relationship, the company's risk management objectives and the hedging strategy. This documentation includes the identification of the hedging instrument, the element or transaction hedged, the nature of the risk hedged and how the company assesses the effectiveness of the hedging instrument in offsetting the exposure to changes in the fair value of the element hedged or of the cash flows attributable to the hedged risk;
- the hedge is expected to be highly effective;
- the planned transaction subject to hedging, for cash flow hedges, is highly probable and presents an exposure to changes in cash flows that could affect the income statement;
- the effectiveness of the hedge can be reliably measured;
- the hedge is measured on the basis of a continuity criterion and is considered highly effective for all the reference years for which the hedge was designated.

Measurement

Hedging derivatives are measured at their fair value.

In the case of macro hedges, fair value changes with reference to the hedged risk of the assets and liabilities subject to hedging are recognised in the balance sheet, respectively, under item 60. "Value adjustment of financial assets subject to macro hedge" or 50. "Value adjustment of financial liabilities subject to macro hedge";

The effectiveness of the hedge depends on the extent to which the changes in fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is appreciated by comparing the aforementioned changes, taking into account the intent pursued by the company at the time the hedge was put in place. Effectiveness is achieved when the changes in fair value (or cash flows) of the hedging financial instrument neutralise almost entirely, i.e. within the limits established by the 80-125% range, the changes in the hedged instrument, for the risk element subject to hedging.

The assessment of effectiveness is carried out at the end of each financial year or interim period using:

- prospective tests, that justify the application of hedge accounting, by demonstrating its expected effectiveness;
- retrospective tests, which highlight the degree of effectiveness of the hedge reached in the period to which they refer, or measure the extent to which the actual results differed from the perfect hedge.

Derecognition

The recognition of fair value hedges is discontinued prospectively in the following cases:

- the hedging instrument expires, is sold, disposed of or exercised;
- the hedge no longer meets the hedge accounting criteria referred to above;

- the company revokes the designation.

If the tests do not confirm the effectiveness of the hedge, from that moment the recognition of the hedging transactions, according to the above, is interrupted, the hedging derivative contract is reclassified among the trading instruments and the hedged financial instrument reacquires the measurement criterion corresponding to its classification in the financial statements. In the event of termination of a fair value macro hedge, the accumulated revaluations/write-downs recorded in item 60. "Value adjustment of financial assets subject to macro hedge" or 50. "Value adjustment of financial liabilities subject to macro hedge" are recognised in the income statement under interest income or expense over the residual duration of the original hedging relationships, without prejudice to verification that the conditions are met.

5 – Equity investments

Recognition, classification and measurement

This category includes equity investments in subsidiaries carried at cost, in accordance with IAS 27, paragraph 37. If there is evidence that an equity investment may be impaired, its recoverable amount is estimated. If the recoverable amount is lower than the carrying amount, the related difference is charged to the income statement. If the reasons for impairment loss cease to exist due to an event occurring after recognition of the impairment, write-backs are made and booked to the income statement.

Derecognition

Equity investments are derecognised on expiry of the contractual rights over the related cash flows or when the equity investment is sold with the transfer of essentially all the related risks and benefits of ownership.

6 – Property, plant and equipment

Classification

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

The item also includes property, plant and equipment classified according to IAS 2 - Inventories, which refer both to assets deriving from the enforcement of guarantees or from the conclusion of operating leases disbursed, which the company intends to sell in the near future, without carrying out significant restructuring work, and which do not have the prerequisites to be classified in other categories.

Rights of use acquired through lease and relating to the use of a tangible asset are included.

Recognition

Property, plant and equipment are initially recognised at purchase price, including any ancillary costs directly attributable to the purchase and commissioning of the asset.

Extraordinary maintenance costs that involve an increase in future economic benefits are booked to increase the value of the assets, while other ordinary maintenance costs are recognised in the income statement.

Measurement

Property, plant and equipment are measured at cost less depreciation and any impairment losses.

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

If there is any indication that property, plant and equipment measured at cost may have suffered an impairment loss, a comparison is made between the book value of the asset and its recoverable value. Any adjustments are recorded in the income statement. If the reasons that led to the recognition of the loss no longer apply, a write-back is recorded, which cannot exceed the value that the asset would have had, net of the calculated depreciation, in the absence of previous impairment losses.

With regard to property, plant and equipment recognised pursuant to IAS 2, they are measured at cost or net realisable value, whichever is the lower, it being understood that the book value of the asset is compared with its recoverable value if there is any indication that the asset may have suffered an impairment loss. Any adjustments are recorded in the income statement.

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

Pursuant to IFRS 16, a "lease" is a contract, or part of a contract, which, in exchange for a consideration, transfers the right of use of an asset (the underlying asset) for a period of time. According to IFRS 16, leases are accounted for on the basis of the right-of-use model, for which, at the initial date, the lessee has a financial obligation to make payments due to the lessor to offset its right to use the underlying asset during the lease period. When the asset is made available to the lessee for its use (initial date), the lessee recognises both the liability and the asset consisting of the right of use.

In particular, the right of use acquired through the lease is recognised as the sum of the current value of the future instalments to be paid for the contractual duration modified by the estimate of the renewal and termination options, the payments for leases paid on or before the date of commencement of the lease, any incentives received, the initial direct costs and any estimated costs for the decommissioning or restoration of the asset underlying the lease.

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

With regard to the discount rate, on the basis of IFRS 16 requirements, the Bank uses the implicit interest rate for each lease agreement, where available. With regard to lease agreements from the lessee's point of view, in some cases, for example with reference to rental agreements, the implicit interest rate cannot always be readily determined without recourse to estimates and assumptions (the lessee does not have enough information on the unsecured residual value of the leased asset). In such cases, the Bank has developed a method to define the incremental interest rate as an alternative to the implicit interest rate and has decided to adopt the internal funding transfer rate. This is an unsecured and amortising rate curve, as the lease agreement provides for equal lease payments typically fixed for the duration of the contract, and not a single payment on maturity. This rate takes into account the duration of the lease, as well as the economic environment in which the transaction takes place and therefore is in line with the requirements of the standard.

The lease term is determined taking into account:

- periods covered by an option to extend the lease, if the exercise of said option is reasonably certain;
- periods covered by an option to terminate the lease, if the exercise of said option is reasonably certain.

During the term of the lease agreement, the lessee must:

- measure the right of use at cost, net of accumulated amortisation and cumulative value adjustments determined and accounted for on the basis of the provisions of IAS 36 "Impairment of assets", adjusted to take into account any restatements of lease liabilities;
- increase the liability deriving from the lease transaction as a result of the accrual of interest expense calculated at the implicit interest rate of the lease, or, alternatively, at the marginal borrowing rate and reduce it for payments of principal and interest.

In the event of changes in the payments due for the lease, the liability must be restated; the impact of the restatement of the liability is recognised against the asset consisting of the right of use.

Lastly, note that the Bank avails itself of the exemptions permitted by IFRS 16 for short-term leases (i.e. duration of less than or equal to 12 months) or leases of modest value assets (i.e. value less than or equal to Euro 5,000).

Derecognition

Property, plant and equipment are derecognised from the balance sheet on disposal, or when the asset concerned is permanently taken out of use and no further economic benefits are expected from its disposal.

7 – Intangible assets

Classification

Intangible assets include other intangible assets, consisting in particular of software.

Intangible assets are recognised if they are identifiable and reflect legal or contractual rights.

Recognition

Intangible assets are recognised at cost, adjusted for any ancillary charges only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in the income statement in the period when the cost is incurred.

Measurement

For assets with a defined useful life, the cost is amortised on a straight-line basis according to the flow of economic benefits expected from the asset.

If there is any indication that an asset may have suffered an impairment loss, the recovery value of the asset is estimated. The impairment loss, expensed to income, is the difference between the carrying amount of an asset and its recoverable amount.

Derecognition

Intangible assets are derecognised from the balance sheet on disposal and when no more future economic benefits are expected.

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

The Bank does not have any non-current assets held for sale and discontinued operations.

9 – Current and deferred taxes

Income taxes, calculated in accordance with national tax legislation, are accounted for as a cost on an accrual basis, consistent with the methods under which the costs and revenues that generated them are recognised in the financial statements. Therefore, they represent the balance of current and deferred taxes relating to the income for the year.

Current tax assets and liabilities include the net balance of the positions of the Bank vis-à-vis the Italian tax authorities attributable to direct taxes. In particular, these items include the net balance between the tax liabilities of previous years and current ones for the year, calculated on the basis of a prudent forecast of the tax liability due for the year, determined on the basis of the tax regulations in force, and the current tax assets represented by payments on account, withholding taxes or other tax credits. The risk inherent in such procedures - in the same way as the risks inherent in procedures that did not require interim payments - is assessed according to the logic of IAS 37, in relation to the likelihood of using economic resources for their fulfilment.

Taking into account the adoption of the national tax consolidation scheme by the Group, the tax positions referable to the Group companies are managed separately from an administrative point of view.

Deferred taxes are determined on the basis of the so-called balance sheet liability method, taking into account the tax effect associated with the timing differences between the book value of assets and liabilities and their tax value, which will determine taxable or deductible amounts in future periods. For such purposes, "taxable timing differences" are those that in future periods will determine taxable amounts and "deductible timing differences" are those that in future years will determine deductible amounts.

Deferred taxes are calculated by applying the tax rates established by the legal provisions in force to the taxable timing differences for which there is the probability of an actual incurring of taxes and to the deductible timing differences for which there is reasonable certainty that there will be future taxable amounts at the moment in which the related tax deductibility will occur (probability test). Deferred tax assets and liabilities relating to the same tax and falling due in the same period are offset.

If deferred tax assets and liabilities refer to items which have affected the income statement, they are booked against income taxes.

In cases where the deferred tax assets and liabilities relate to transactions that were booked directly to equity without affecting the income statement (such as adjustment on first time application of the IAS/IFRS, the valuations of financial instruments recognised at fair value through other comprehensive income), they too are booked through shareholders' equity, affecting the specific reserves when this is foreseen (e.g. valuation reserves). Deferred taxes referring to companies included in the tax consolidation scheme are recognised in their financial statements, in application of the accruals criterion and in consideration of the value of the tax consolidation limited to the settlement obligations of current tax positions. Latent taxes on the shareholders' equity components of the consolidated companies is not recognised in the financial statements if it is not considered probable that the conditions for the related taxes will occur, and thus also in relation to the long-term nature of the investment.

10 – Provisions for risks and charges

Provisions for risks and charges in the presence of commitments and guarantees given

The sub-item of provisions for risks and charges in question includes provisions for credit risk recognised in the presence of commitments to disburse funds and guarantees given that fall within the scope of application of the rules on impairment pursuant to IFRS 9. For these cases, in principle, the same methods are adopted for allocation between the three stages (credit risk stages) and calculation of the expected loss shown with reference to financial assets measured at amortised cost or fair value through other comprehensive income.

Other provisions

The other provisions for risks and charges include the provisions relating to legal obligations or associated with employment relationships or disputes, including tax-related, originating from a past event for which it is probable that economic resources will be disbursed to fulfil said obligations, provided that a reliable estimate of the related amount can be made.

Consequently, a provision is recognised if and only if:

- there is a pending obligation (legal or implicit) as a result of a past event;
- it is probable that the use of resources suitable for producing economic benefits will be necessary to fulfil the obligation; and
- a reliable estimate can be made of the amount deriving from the fulfilment of the obligation.

The amount recognised as a provision represents the best estimate of the expense required to fulfil the obligation existing at the reporting date and reflects risks and uncertainties that inevitably characterise a number of facts and circumstances.

Provisions are charged to the income statement. The provision is reversed when the use of resources suitable for producing economic benefits to fulfil the obligation becomes unlikely or when the obligation is extinguished.

11 – Financial liabilities measured at amortised cost

Classification

Deposits from banks, Deposits from customers and Debt securities issued represent the various forms of interbank and customer funding. Also included are payables recognised by the company as lessee in the context of lease operations.

Recognition

The initial recognition of these financial liabilities takes place on the date the agreement is signed, which normally coincides with the moment of receipt of the amounts collected or on issue of the debt securities.

These liabilities are initially recognised at their fair value, usually corresponding to the amount collected or the issue price, plus any additional costs/proceeds directly attributable to the individual funding or issue transaction. Internal administrative costs are excluded.

Lease payables are recognised at the current value of future lease payments, discounted using the rate mentioned in the related section on leases.

Measurement

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

As an exception, short-term liabilities are measured at the amount collected, as the effect of the time factor is insignificant.

Lease payables are restated when there is a lease modification (e.g. a change in the agreement that is not accounted for/considered as a separate contract); the effect of the restatement will be recorded through the right-of-use asset.

Derecognition

Financial liabilities are derecognised when they expire or are settled.

12 – Financial liabilities held for trading

Recognition and classification

The financial instruments in question are recognised on the subscription date or the issue date at a value equal to the fair value of the instrument, without considering possible transaction costs or income directly attributable to the instrument concerned.

This category of liabilities includes, in particular, trading derivative contracts with negative fair value.

Measurement

All liabilities held for trading are measured at fair value with the result of the measurement recognised in the income statement.

Derecognition

These liabilities are derecognised when the contractual rights to the cash flows cease or when a financial liability is sold and substantially all of the risks and benefits associated with it are transferred.

13 – Financial liabilities designated at fair value

The Bank does not have any financial liabilities designated at fair value.

14 – Foreign currency transactions

The Bank does not have any transactions in foreign currency.

15 - Other information

Cash and cash equivalents

The item "Cash and cash equivalents" includes the recognition mainly of current accounts and "on demand" deposits with central banks, with the exception of the compulsory reserve, as well as "on demand" receivables (current accounts and on demand deposits) vis-à-vis banks. Cash receivables that can be withdrawn by the creditor at any time without notice or with 24 hours or one working day's notice are considered "on demand" receivables. Receivables with a contractual obligation of expiry equal to 24 hours or one working day are also included among the "on demand" receivables. These components are valued according to the general principle of the estimated realisable value, which normally coincides with the nominal value. These assets are derecognised from the financial statements at the natural end of the contractual rights, if any, on the related cash flows.

Treasury shares

There are no treasury shares to be deducted from shareholders' equity.

Share-based payments

The Bank has no share-based payments.

Accruals and deferrals

Accruals and deferrals that include charges and income pertaining to the period accrued on assets and liabilities are recognised in the financial statements as an adjustment to the assets and liabilities to which they refer.

Leasehold improvement expenditure

The restructuring costs for properties not owned are capitalised in consideration of the fact that for the duration of the lease agreement the user company has control of the assets and can derive future economic benefits from them. The aforementioned costs, classified under Other assets and under property, plant and equipment (if the regulatory requirements are met), are depreciated for a period not exceeding the duration of the lease agreement.

Provision for employee severance pay

Employee severance pay is considered a "post-employment benefit" and was limited by the entry into force of the reform envisaged by Italian Law no. 296/2006 (2007 Finance Act) on supplementary pensions.

For discounting purposes, the rate used is determined with reference to the market return taking into account the average residual duration of the liability, weighted on the basis of the percentage of the amount paid and advanced, for each maturity, with respect to the total to be paid and advanced until the final settlement of the entire obligation. Costs for the service of the plan are accounted for under personnel costs, while actuarial gains and losses are recognised in the statement of comprehensive income.

Revenue and cost recognition

Revenues are gross flows of economic benefits arising in the ordinary course of business and are recognised at the time control of the goods or services is transferred to the customer, at an amount representing the amount of consideration to which one is deemed to be entitled. In particular, revenue is recognised by means of the application of a model that must meet the following criteria:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the consideration expected for the transfer of goods or services to the customer;
- allocation of the transaction price to each "performance obligation", based on the sale prices of the individual obligation;
- recognition of revenues when (or gradually as) the performance obligation is fulfilled by transferring the promised good or service to the customer.

The transaction price represents the amount of consideration to which the entity deems it is entitled to in exchange for transferring the promised goods and services to the customer. It may include fixed or variable amounts or both. Revenues configured as variable consideration are recognised in the income statement if they can be reliably estimated and only if it is highly probable that this consideration will not be reversed from the income statement in subsequent periods, in full or to a significant extent. In the event of a high prevalence of factors of uncertainty linked to the nature of the consideration, the same will be recognised only when said uncertainty is resolved.

Revenues can be recognised:

- at a precise moment, when the entity fulfils the performance obligation transferring the promised good or service to the customer, or
- over time, as the entity gradually fulfils the performance obligation transferring the promised good or service to the customer.

The asset is transferred when, or during the period in which, the customer acquires control of it.

Specifically:

- interest is recognised on a pro-rata basis with regard to the contractual interest rate or the effective interest rate if the amortised cost is applied. Interest income (or interest expense) also includes positive (or negative) spreads or margins accrued up to the reporting date, relating to financial derivative contracts:
  - hedging assets and liabilities that generate interest;
  - operationally related to assets and liabilities classified in the trading book and which envisage the settlement of spreads or margins with multiple maturities;
- interest on arrears, possibly envisaged contractually, is recorded in the income statement only at the time of its actual collection;
- dividends are recognised in the income statement at the time their distribution is resolved, unless this date is unknown or the information is not immediately available, in which case recognition at the time of collection is permitted;
- commission for revenues from services are recognised, on the basis of the existence of contractual agreements, in the period in which the services were provided. Commission considered in the amortised cost for the purposes of determining the effective interest rate is recognised under interest;
- gains and losses deriving from the trading of financial instruments are recognised in the income statement at the time of finalisation of the sale, on the basis of the difference between the amount paid or collected and the book value of the instruments themselves;
- revenues from the sale of non-financial assets are recognised at the time the sale is completed, or when the performance obligation vis-à-vis the customer is fulfilled.

Costs are recognised in the income statement on an accruals basis; the costs relating to obtaining and fulfilling contracts with customers are recognised in the income statement in the periods in which the related revenues are recorded.

Method of determining the amortised cost

The amortised cost of a financial asset or liability is the amount at which it was measured on initial recognition, net of repayments of principal, plus or minus accumulated amortisation (calculated using the effective interest method) of the differences between the initial value and its value on maturity, less any impairment loss.

The effective interest rate is the rate that equates the present value of a financial asset or liability to the contractual flow of future cash payments, either received up to the expected maturity or to the next date when the price is recalculated. To calculate the present value, the effective interest rate is applied to the future cash flows received or paid through the entire life of the financial asset or liability, or for a shorter period under certain conditions (for example, if there is a review in market rates).

After initial recognition, the amortised cost permits the allocation of revenues and costs to decrease or increase the instrument over its entire expected life through the amortisation process. The calculation of the amortised cost differs depending on whether the financial assets/liabilities subject to valuation are at a fixed or variable rate and - in the latter case - depending on whether the variability of the rate is known or not in advance. For instruments with a fixed rate or fixed rate by time brackets, future cash flows are quantified on the basis of the known interest rate (single or floating) during the life of the loan. For financial assets/liabilities with a floating rate, whose variability is not known in advance (for example because it is linked to an index), the calculation of the cash flows is carried out on the basis of the last known rate. At each rate review date, the amortisation plan and the effective rate of return are recalculated over the entire useful life of the instrument, i.e. until the maturity date. The adjustment is recognised as a cost or income in the income statement.

The measurement at amortised cost is carried out for financial assets measured at amortised cost and for those measured at fair value through other comprehensive income, as well as for financial liabilities measured at amortised cost.

Financial assets and liabilities traded under market conditions are initially recognised at their fair value, which normally corresponds to the amount disbursed or paid including, for instruments measured at amortised cost, transaction costs and commission that is directly attributable. Transaction costs include internal or external marginal costs and income attributable to the issue, acquisition or disposal of a financial instrument that cannot be recharged to the customer. These fees, which must be directly attributable to the individual financial asset or liability, affect the original effective return and make the effective interest rate associated with the transaction different from the contractual interest rate. Costs/income relating to several transactions without distinction and components related to events that may occur during the life of the financial instrument, but which are not certain at the time of the initial definition, are excluded, such as for example: commission for retrocession, for failure to use, for early repayment. In addition, the amortised cost calculation does not include the costs that the company should incur regardless of the transaction, those which, although specifically attributable to the transaction, fall within the normal practice of managing the loan. With particular reference to receivables, commission paid to distribution channels and direct insurance policies are considered costs attributable to the financial instrument; while the revenues considered in the calculation of the amortised cost are the up-front commission.

For the securities issued, the placement commission of the bond loans paid to third parties and the structuring activities are considered in the calculation of the amortised cost, while the recurring maintenance commission is not considered in the amortised cost.

Use of estimates and assumptions in preparing financial information

The preparation of financial reports requires the use of estimates and assumptions that may have a significant effect on the amounts recognised in the balance sheet and income statement, and on the disclosure of contingent assets and liabilities reported in the financial statements. The development of such estimates involves the use of available information and the adoption of subjective judgements based on past experience, which are used to formulate reasonable assumptions for recording corporate events. By their nature, the estimates and assumptions used can vary from year to year, which means that it cannot be excluded that in future years the figures in the financial statements may differ significantly due to changes in the subjective judgements used.

The main situations in which management has to make subjective judgements include the following:

- the quantification of impairment losses on receivables, equity investments and, in general, other financial
- assets;
- the use of valuation models for determining the fair value of financial instruments not listed in active markets;
- assessing whether the value of other intangible assets is fair;
- quantifying personnel provisions and provisions for risks and charges;
- making estimates and assumptions regarding the recoverability of deferred tax assets.

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

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

The Bank has not reclassified any financial assets during the year.

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

The Bank has not reclassified any financial assets during the year.

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

The Bank has not made transfers of portfolios between the different categories of financial assets during the year.

A.4 – Information on fair value

Qualitative information

The Bank regulates and formalises the measurement of fair value through internal policies, overseen by the Market Risk unit.

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

Underlying the definition of fair value is the presumption that the Bank finds itself in the normal course of business with no intention of liquidating its assets, of significantly reducing the level of its assets or of proceeding with the definition of transactions at unfavourable conditions. For this reason, the fair value of an asset or liability is based on the assumption that participants act to best satisfy their economic interests, consequently favouring the main active markets, or in the absence thereof, the most advantageous secondary active market.

The Bank can therefore use the following valuation models:

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

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

The measurement techniques adopted by the Bank are as follows:

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

Key:

* For further clarifications on fair value levels, please refer to "A.4.3 Fair value hierarchy".
** Relationships are generally classified as level 3, except for central banks and credit institutions classified as level 2.

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

- observable inputs: processed using market data, such as publicly available information on actual transactions or events, and which reflect the assumptions that market participants would use in determining the price of the asset or liability;
- non-observable inputs: no market information is available and they are processed using the best information available regarding assumptions that market participants would use in determining the price of the asset or liability. The majority of these inputs come from sources within the Santander Group.

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

A.4.2 Valuation processes and sensitivity

The risk-free and risk-spread parameters are updated on a quarterly basis and are intended to incorporate fluctuations deriving from market risk. These values are periodically monitored by the Market Risk unit in order to continuously assess the adequacy of the models used, subject to review at least once a year.

A.4.3 Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure the fair value into three levels. This hierarchy assigns the highest priority to (unadjusted) listed prices in active markets for identical assets or liabilities (Level 1) and minimum priority to non-observable inputs (Level 3).

Specifically:

- Level 1: when the measurement of the instrument is obtained directly from (unadjusted) listed prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: if an active market price has not been found and the measurement is carried out using a valuation technique, on the basis of parameters observable on the market, or on the use of parameters that are not observable but supported and confirmed by market evidence, such as prices, spreads or other inputs;
- Level 3: when the measurements are carried out using different inputs, not all derived directly from parameters observable on the market and therefore involve estimates and assumptions by the appraiser.

During the year, no transfers were made between fair value levels.

A.4.4 Other Information

There are no cases referred to in IFRS 13, paragraphs 48, 93 letter (i), and 96.

Quantitative information

A.4.5 Fair value hierarchy

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

	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets valued at fair value with impact on income statement	-	40,171	-	-	46,781	-
a) financial assets held for trading	-	40,171	-	-	46,781	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) o+ther financial assets compulsorily assessed at fair value	-	-	-	-	-	-
2. Financial assets valued at fair value with impact on overall profitability	-	-	-	150,254	-	-
3. Cover derivatives	-	8,827	-	-	78,897	-
4. Tangible assets	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**-**	**48,999**	**-**	**150,254**	**125,678**	**-**
1. Financial liabilities held for trading	-	41,280	-	-	47,472	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Cover derivatives	-	32,592	-	-	16,166	-
Total	**-**	**73,872**	**-**	**-**	**63,638**	**-**

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

At the reporting date, there were no transfers of assets and liabilities between level 1 and level 2 to be disclosed.

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

The Bank does not hold any financial assets measured at fair value (level 3).

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

The Bank does not hold any financial liabilities measured at fair value (level 3).

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

Assets / Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets valued at amortized cost	7,015,729	303,332		6,405,573	6,607,532	201,179		5,944,208
2. Available for sale financial assets								
3. Non current assets classified as held for sale								
Total	**7,015,729**	**303,332**	**-**	**6,405,573**	**6,607,532**	**201,179**	**-**	**5,944,208**
1. Financial liabilities measured at amortized cost	6,556,037		2,643,909	3,879,551	6,327,532		3,193,684	3,125,691
2. Liabilites included in disposal group classified as hfs								
Total	**6,556,037**	**-**	**2,643,909**	**3,879,551**	**6,327,532**	**-**	**3,193,684**	**3,125,691**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

A.5 – Information on "Day One Profit/Loss"

The Bank does not hold any financial instruments that meet the conditions referred to in paragraph 28 of IFRS 7.

Part B - Information on the Balance Sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total	Total
	31/12/2024	31/12/2023
a) Cash	9	10
b) Current account and demand deposits with Central banks	123,610	121,231
c) Current accounts and demand deposits with banks	3,796	10,085
Total	**127,415**	**131,327**

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

2.1 Financial assets held for trading: breakdown by type

Items/Values	Total			Total		
	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
A. Balance-sheet assets						
1. Debt securities		-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other securietes	-	-	-	-	-	-
2. Equity securites	-	-	-	-	-	-
3. Investment funds unit	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 REPOs	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments						
1. Financial derivates	-	40,171	-	-	46,781	-
1.1 trading	-	40,171	-	-	46,781	-
1.2 fair value hedges	-	-	-	-	-	-
1.3 others	-	-	-	-	-	-
2. Credit derivates	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 fair value hedges	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-
Total (B)	**-**	**40,171**	**-**	**-**	**46,781**	**-**
Total (A+B)	**-**	**40,171**	**-**	**-**	**46,781**	**-**

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

The financial derivatives item includes the positive fair value of the derivatives entered into as part of the proprietary securitisation transactions, without cancellation.

2.2 Financial assets held for trading: breakdown by borrower/issuer/counterparty

Items/Values	Total 31/12/2024	Total 31/12/2023
A. CASH ASSETS		
1. Debt securities	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other finanzial companies	-	-
of which: Insurance companies	-	-
c) Non financial companies	-	-
d) Other issuers	-	-
3. Units investment funds	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
f) Families	-	-
Total (A)	**-**	**-**
B. DERIVATIVE INSTRUMENTS	**-**	**-**
a) Central Counterparties	-	-
b) Others	40,171	46,781
Total (B)	**40,171**	**46,781**
Total (A+B)	**40,171**	**46,781**

2.3 Financial assets designated at fair value: breakdown by type

The Bank does not have any financial assets designated at fair value.

2.4 Financial assets designated at fair value: breakdown by borrower/issuer

The Bank does not have any financial assets designated at fair value.

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

The Bank does not have any financial assets mandatorily measured at fair value.

2.6 Other financial assets mandatorily measured at fair value: breakdown by borrower/issuer

The Bank does not have any other financial assets mandatorily measured at fair value.

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

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

Item/Values	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debts securities	-	-	-	150,254	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	-	-	-	150,254	-	-
2. Equity instruments	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-
Total	**-**	**-**	**-**	**150,254**	**-**	**-**

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

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by borrower/issuer

Items/Values	Total 31/12/2024	Total 31/12/2023
1. Debt securities	**-**	**150,254**
a) Central Banks	-	-
b) Public entities	-	150,254
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- other financial companies	-	-
of which: insurance companies	-	-
- non financial companies	-	-
- others	-	-
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non financial companies	-	-
f) Households	-	-
Total	**-**	**150,254**

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total write-downs

		Gross amount					Writedowns				
		First stage	of which: low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	Write-off parziali complessivi
Debt securities		-	-	-	-	-	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-	-
Total	**31/12/2024**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**31/12/2023**	**150,254**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

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

Type of transaction/Values	Total 31/12/2024						Total 31/12/2023					
	Balance value			Fair value			Balance value			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
A. Receivables to Central Banks	**13,715**	**-**	**-**	**-**	**-**	**13,715**	**12,429**	**-**	**-**	**-**	**-**	**12,429**
1. Deposits to Maturity	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserves	13,138	-	-	X	X	X	11,853	-	-	X	X	X
3. Repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	576	-	-	X	X	X	576	-	-	X	X	X
B. Receivables to banks	**57,276**	**-**	**-**	**-**	**-**	**56,686**	**79,278**	**-**	**-**	**-**	**-**	**80,042**
1. Loans	57,276	-	-	-	-	56,686	79,278	-	-	-	-	80,042
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Other loans:	57,276	-	-	X	X	X	79,278	-	-	X	X	X
- Repos	-	-	-	X	X	X	-	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Others	57,276	-	-	X	X	X	79,278	-	-	X	X	X
2. Debts securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**70,991**	**-**	**-**	**-**	**-**	**70,401**	**91,707**	**-**	**-**	**-**	**-**	**92,471**

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

The item "other loans - other" mainly includes the subordinated loan to the subsidiary Stellantis Financial Services Italia amounting to Euro 56,591 thousand (Euro 79,255 thousand in 2023).

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

Type of transaction/Values	Total 31/12/2024						Total 31/12/2023					
	Balance value			Fair value			Balance value			Fair value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Loans	**6,569,604**	**73,638**	**-**	**-**	**-**	**6,335,172**	**6,255,047**	**60,491**	**-**	**-**	**-**	**5,851,736**
1.1. Deposits from customers	3,312	2	-	X	X	X	2,600	1	-	X	X	X
1.2. REPOs	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgages	-	-	-	X	X	X	-	-	-	X	X	X
1.4. Credit cards, personal loans and wage assignment losses	2,686,164	41,719	-	X	X	X	2,540,265	32,727	-	X	X	X
1.5. Lease loans	168,622	1,187	-	X	X	X	178,474	774	-	X	X	X
1.6. Factoring	141,831	-	-	X	X	X	89,006	-	-	X	X	X
1.7. Other loans	3,569,675	30,729	-	X	X	X	3,444,702	26,990	-	X	X	X
2. Debt securities	**301,496**	**-**	**-**	**303,332**	**-**	**-**	**200,288**	**-**	**-**	**201,179**	**-**	**-**
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	301,496	-	-	303,332	-	-	200,288	-	-	201,179	-	-
Total	**6,871,100**	**73,638**	**-**	**303,332**	**-**	**6,335,172**	**6,455,334**	**60,491**	**-**	**201,179**	**-**	**5,851,736**

The item "Other loans" includes car loans and special-purpose loans, as well as loans disbursed to the Group companies Santander Consumer Renting and Drive.

4.3 Financial assets measured at amortised cost: loans to customers, breakdown by borrower/issuer

Type of transaction / Values	Total 31/12/2024			Total 31/12/2023		
	First and second stage	Third stage	Purchased or originated impaired assets	First and second stage	Third stage	Purchased or originated impaired assets
1. Debt securities	**301,496**	**-**	**-**	**200,288**	**-**	**-**
a) Public Administration	301,496	-	-	200,288	-	-
b) Other financial companies	-	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Loans to:	**6,569,604**	**73,638**	**-**	**6,255,047**	**60,491**	**-**
a) Public-sector entities	958	3,479	-	1,333	3,630	-
b) Other financial companies	34,956	41	-	61,641	59	-
of which: insurance companies	2	3	-	3	2	-
c) Non-financial companies	700,867	6,111	-	486,752	4,924	-
d) Households	5,832,823	64,007	-	5,705,321	51,877	-
Total	**6,871,100**	**73,638**	**-**	**6,455,334**	**60,491**	**-**

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

	Gross amount					Writedowns				Write off partial total
	First stage	of which: low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	
Debt securities	301,496	-	-	-	-	-	-	-	-	-
Loans	6,580,722	-	114,064	177,164	-	30,033	24,158	103,526	-	-
Total at 31/12/2024	**6,882,218**	**-**	**114,064**	**177,164**	**-**	**30,033**	**24,158**	**103,526**	**-**	**-**
Total at 31/12/2023	**6,555,228**	**-**	**34,070**	**139,159**	**-**	**33,013**	**9,244**	**78,668**	**-**	**-**

Section 5 – Hedging derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and levels

	Fair Value 31/12/2024			NV 31/12/2024	Fair Value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1) Fair value	-	8,827	-	600,416	-	78,897	-	2,151,817
2) Cash flows	-	-	-	-	-	-	-	-
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**8,827**	**-**	**600,416**	**-**	**78,897**	**-**	**2,151,817**

Key:
NV = Notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

With regard to the verification of the effectiveness of the hedge with respect to the underlying element, please refer to the Notes to the financial statements - Part E - Section 2 - Market risks.

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

Transaction / Type of hedging	Fair Value						Cash-flow hedges		Net Investments on foreign subsidiaries
	Micro					Macro	Micro	Macro	
	debt securities and interest rates	equity securities and stock indexes	currencies and gold	commodities	others				
1. Available for sale financial assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	-	-	-	X	-	X	-	X	X
3. Portfolio	X	X	X	X	X	8,827	X	-	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	8,827	-	-	-
Financial Liabilities	-	-	-	X	-	X	-	X	X
Portfolio	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	X
1. Highly probable transactions (CFH)	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

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

6.1 Value adjustment of hedged assets: breakdown by hedged portfolios

Adeguamento di valore delle attività coperte / Valori	Total 31/12/2024	Total 31/12/2023
1. Positive fair value changes	**25,458**	**-**
1.1 of specific portfolios:	25,458	-
a) financial assets at amortized cost	25,458	-
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
1.2 overall	-	-
2. Negative fair value changes	**21,110**	**50,281**
2.1 of specific portfolios:	21,110	50,281
a) financial assets at amortized cost	21,110	50,281
b) financial assets measured at Fair Value with an impact on overall profitability	-	-
2.2 overall	-	-
Total	**4,347**	**(50,281)**

The balance of changes in the value of assets subject to macro hedging against interest rate risk is recognised in this item, with regard to the application of which the Bank avails itself of the possibility, envisaged by IFRS 9, to continue to apply the provisions permitted by IAS 39 in the carve-out version.

The positive adjustment of Euro 25,458 thousand (negative adjustment for 2023 of Euro -50,281 thousand) represents the value adjustment of the financial assets subject to macro hedge against interest rate risk and is consequent to the increase in interest rates.

The negative adjustment of Euro 21,110 thousand represents the residual value of the unwinding transaction carried out during the year. For further details, please refer to the consolidated report on operations (D - Other facts worth mentioning).

Section 7 – Equity investments – Item 70

7.1 Equity investments: disclosures

Company name	Registered Office	Head Office	% holding	% of votes
A. Subsidiaries				
1. Stellantis Financial Services Italia S.p.A.	Torino	Torino	50.0%	
2. Stellantis Renting Italia S.p.A.	Trento	Trento	50.0%	
3. TIMFin S.p.A.	Torino	Torino	51.0%	
4. Santander Consumer Renting S.r.l.	Bolzano		100%	
5. Drive S.r.l.	Bolzano		75%	
B. Joint ventures				
C. Companies under significant influence				

7.2 Significant equity investments: carrying amount, fair value and dividends received

Pursuant to the applicable legislation, with reference to the information on subsidiaries with significant minority interests, please refer to the information provided in the Notes to the consolidated financial statements - Part A - Section 3 - Scope of consolidation and consolidation method.

7.3 Significant equity investments: accounting information

Pursuant to the applicable legislation, with reference to the information on subsidiaries with significant minority interests, please refer to the information provided in the Notes to the consolidated financial statements - Part A - Section 3 - Scope of consolidation and consolidation method.

7.4 Insignificant equity investments: accounting information

The Bank does not have any insignificant equity investments.

7.5 Equity investments: change in the year

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	**345,690 €**	**189,990 €**
B. Increases		**155,700 €**
B.1 Purchases		155,700 €
B.2 Writebacks		
B.3 Revaluations		
B.4 Other changes		
C. Decreases		
C.1 Sales		
C.2 Adjustments		
C.3 Devaluations		
C.4 Other changes		
D. Closing balance	**345,690 €**	**345,690 €**
E. Total revaluations		
F. Total adjustments		

7.6 Commitments relating to equity investments in subsidiaries under joint control

The Bank has no equity investments in subsidiaries under joint control.

7.7 Commitments relating to equity investments in companies subject to significant influence

The Bank has no equity investments in companies subject to significant influence.

7.8 Significant restrictions

The Bank has no significant restrictions.

7.9 Other information

Equity investments are individually tested for impairment in accordance with IAS 36. If the conditions set forth therein are met, the recoverable value is determined, i.e. the higher value between the "fair value" and the "value in use" (the latter determined by discounting back the cash flows at a rate that considers the current market rates and the specific risks of the asset or by using other generally adopted measurement criteria and methods suitable for the correct valuation of the investment itself). If the recoverable value is lower than the book value, the latter is consequently reduced by booking the corresponding write-down to the income statement.

With reference to equity investments in subsidiaries, the recoverable value is generally determined by discounting future income flows at an appropriate discount rate as detailed below.

Estimating cash flows to determine the value in use of Equity investments in subsidiaries.

Projections

The set of projections used for the impairment test on Equity investments in subsidiaries is based on two alternative scenarios, in order to reflect the uncertainty and volatility of the macroeconomic context. The two scenarios are structured as follows:

- "Base" scenario based on the financial forecasts underlying the 2025-2027 strategic plan;
- "Stressed" scenario worse than the "base" scenario, which reflects downward macroeconomic forecasts for 2025-2027 to factor in the greater risks inherent in the current context of uncertainty.

Impairment test model

The calculation of the value in use for the purposes of the impairment test is carried out using a discounted cash flow model (DCF). The expected flows are equal to the net results pertaining to the Group (excluding minority interests) deriving from the above and from the determination of a terminal value. The Terminal Value is determined using the "Perpetuity Method" considering a long-term nominal growth rate of 2% (Source: the target inflation rate for the Central European Bank) and a discount rate as described below.

Discount rates

The future cash flows were discounted using an estimate of the discounting rate, which incorporates in the cost of own capital the various risk factors associated with the business sector. The discount rate used is a nominal after-tax rate.

In particular, the cost of capital for each investment in the different scenarios is estimated using the Capital Asset Pricing Model (CAPM) as the sum of the following elements:

- Risk-free rate: equal to the yield of the benchmark government security of the reference country;
- Risk premium on own capital: given by the outcome of the following factors:
    - Beta (β) of the Parent Company Banco Santander;
    - Stock market risk premium: the difference between the return of the stock market and that of the bond market.

The results of the impairment test

The test did not reveal any impairment situations in either the "base" or the "stressed" scenario.

Section 8 – Property, plant and equipment – Item 80

8.1 Property, plant and equipment used for business purposes: breakdown of assets measured at cost

Activities/Values	Total 31/12/2024	Total 31/12/2023
1. Owened assets	**2,422**	**1,728**
a) lands	-	-
b) buildings	-	-
c) furniture	261	355
d) electronic system	1,762	1,336
e) other	399	37
2. Leased assets	**10,410**	**12,328**
a) lands	-	-
b) buildings	10,295	11,522
c) furniture	-	-
d) electronic system	-	-
e) other	115	806
Total	**12,831**	**14,055**
of which: obtained by the enforcement of collateral	-	-

The table below shows the useful life determined for the purposes of calculating the annual depreciation charge of owned assets:

Category of asset	Useful life (years)
OFFICE FORNITURE AND FURNISHING	9
ORDINARY OFFICE MACHINES	9
DATA PROCESSING MACHINES	5
TELEPHON SYSTEMS	4
VEHICLES	4
MISCELLANEOUS EQUIPMENT	4
SOFTWARE EXPENDITURE	3
DEFERRED CHARGES TO BE AMORTISED	6

For further details on the property, plant and equipment purchased under finance leases, please refer to Notes to the financial statements - Part M - Report on leases.

8.2 Property, plant and equipment held for investment: breakdown of assets measured at cost

No property, plant and equipment held for investment have been recognised.

8.3 Property, plant and equipment used for business purposes: breakdown of revalued assets

There are no items of property, plant and equipment used for business purposes that have been revalued.

8.4 Property, plant and equipment held for investment: breakdown of assets measured at fair value

No property, plant and equipment held for investment have been recognised.

8.5 Inventories of property, plant and equipment covered by IAS 2: breakdown

The Bank does not have any property, plant and equipment obtained through the enforcement of the guarantees received or other inventories of property, plant and equipment.

8.6 Property, plant and equipment used for business purposes: change in the year

	Lands	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	**-**	**15,923**	**4,127**	**14,117**	**10,043**	**44,210**
A.1 Total net reduction value	-	4,401	3,772	12,781	9,200	30,154
A.2 Net opening balance	**-**	**11,522**	**355**	**1,336**	**843**	**14,055**
B. Increase:	**-**	**167**	**-**	**968**	**391**	**1,526**
B.1 Purchasing	-	-	-	968	391	1,359
- of which business combinations	-	-	-	-	-	-
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from investment properties	-	-	X	X	X	-
B.7 Other adjustment	-	167	-	-	-	167
C. Decrease:	**-**	**1,394**	**94**	542	**720**	**2,750**
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Amorization	-	1,394	94	542	720	2,750
C.3 Impairment losses allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
C.4 Negative chages in fair value allocated to	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) profit & loss	-	-	-	-	-	-
C.5 Negative exchange difference	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) held for sale investment	-	-	X	X	X	-
b) non-current assets and group of assets held for sale	-	-	-	-	-	-
C.7 Other adjustment	-	-	-	-	-	-
D. Net closing balance	**-**	**10,295**	**261**	**1,762**	**514**	**12,831**
D.1 Total net write-down	-	5,264	2,470	13,323	5,680	26,736
D.2 Final gross balance	**-**	**15,558**	**2,730**	**15,085**	**6,194**	**39,567**
E. Carried at cost	-	-	-	-	-	-

Each class of assets is measured at cost. Sub-item E (Carried at cost) shows a zero balance because, in accordance with Bank of Italy's Circular no. 262/2005, it is only for property, plant and equipment that are carried in the balance sheet at fair value.

The table below reports the annual changes in rights of use of property, plant and equipment used for business purposes acquired through finance leases:

	Lands	Buildings	Furniture	Electronic System	Others	Total
A. Gross opening balance	**-**	**15,923**	**-**	**-**	**1,438**	**17,361**
A.1 Total net reduction value	-	4,401	-	-	633	5,034
A.2 Opening net balance	**-**	**11,522**	**-**	**-**	**806**	**12,328**
B. Increase:	**-**	**167**	**-**	**-**	**-**	**167**
B.1 Purchasing	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increases in fair value	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit & loss	-	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Transfer from properties held for investment	-	-	-	-	-	-
B.7 Other adjustment	-	167	-	-	-	167
C. Decreases:	**-**	**1,394**	**-**	**-**	**690**	**2,085**
C.1 Disposal	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Depreciation	-	1,394	-	-	690	2,085
C.3 Impairment losses	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit & loss	-	-	-	-	-	-
C.4 Negative chages in fair value	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) through profit & loss	-	-	-	-	-	-
C.5 Negative exchange difference	-	-	-	-	-	-
C.6 Transfer to::	-	-	-	-	-	-
a) Property, plant and equipment held for investment	-	-	-	-	-	-
b) non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-
C.7 Other adjustment	-	-	-	-	-	-
D. Net final balance	**-**	**10,295**	**-**	**-**	**115**	**10,410**
D.1 Total net reduction in value	-	5,264	-	-	1,323	6,587
D.2 Gross closing balance	**-**	**15,558**	**-**	**-**	**1,438**	**16,997**
E. Carried at cost	-	-	-	-	-	-

8.7 Property, plant and equipment held for investment: change in the year

The Bank does not have any property, plant and equipment held for investment in the financial statements.

8.8 Inventories of property, plant and equipment covered by IAS 2: change in the year

The Bank does not have any property, plant or equipment covered by IAS 2.

8.9 Commitments to purchase property, plant and equipment

The Bank does not have any commitments to purchase property, plant and equipment.

Section 9 – Intangible Assets – Item 90

9.1 Intangible assets: breakdown by type

Activities/Values	Total 31/12/2024		Totale 31/12/2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**-**	**X**	**-**
A.2 Other intangible asset	**16,689**	**-**	**23,673**	**-**
of which: software	16,689	-	23,673	-
A.2.1 Assets valued at cost:	**16,689**	**-**	**23,673**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	16,689	-	23,673	-
A.2.2 Assets valued at fair value:	**-**	**-**	**-**	**-**
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**16,689**	**-**	**23,673**	**-**

The software has a useful life of 3 years.

9.2 Intangible assets: change in the year

	Goodwill	Other intangible assets: internally generated		Other intangible assets: others		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balance	**-**	**-**	**-**	**61,343**	**-**	**61,343**
A.1 Reductions of total net value	-	-	-	37,670	-	37,670
A.2 Net opening balance	**-**	**-**	**-**	**23,673**	**-**	**23,673**
B. Increases	**-**	**-**	**-**	**5,798**	**-**	**5,798**
B.1 Purchases	-	-	-	5,798	-	5,798
- of which business combinations	-	-	-	-	-	-
B.2 Increments of internal intagible assets	X	-	-	-	-	-
B.3 Value recoveries	X	-	-	-	-	-
B.4 Positive variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
B.5 Positive exchange differences	-	-	-	-	-	-
B.6 Other variations	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**12,782**	**-**	**12,782**
C.1 Sales	-	-	-	-	-	-
- of which business combinations	-	-	-	-	-	-
C.2 Value adjustment	-	-	-	12,782	-	12,782
- Amortisations	X	-	-	12,782	-	12,782
- Depreciations	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ P&L statement	-	-	-	-	-	-
C.3 Negative variations of fair value	-	-	-	-	-	-
- equity	X	-	-	-	-	-
- to P&L statement	X	-	-	-	-	-
C.4 Transfer to non-current assets	-	-	-	-	-	-
C.5 Negative exchange differrences	-	-	-	-	-	-
C.6 Other variations	-	-	-	-	-	-
D. Net final surplus	**-**	**-**	**-**	**16,689**	**-**	**16,689**
D.1 Adjustment of net total values	-	-	-	11,577	-	11,577
E. Gross final surplus	**-**	**-**	**-**	**28,266**	**-**	**28,266**
F. Evaluation to cost	-	-	-	-	-	-

Key:
DEF: finite life
INDEF: indefinite life

Each class of assets was measured at cost. Sub-item F (Carried at cost) shows a zero balance because, in accordance with Bank of Italy's Circular no. 262/2005, it is only for intangible assets that are carried in the balance sheet at fair value.

9.3 Intangible assets: other information

There is no further information to be provided.

Section 10 – Tax assets and liabilities – Asset item 100 and Liabilities and Shareholders' equity item 60

10.1 Deferred tax assets: breakdown

	31/12/2024	31/12/2023
To profit and loss statement	**97.217**	**116,481**
of which temporary differences:	20,760	22,949
- Tax losses and ACE	2,392	2,315
- Adjustments on credits deductible in future financial years	1,333	1,746
- Provisions for future charges	16,405	18,746
- Intangible assets	131	141
- Material assets	21	-
- Other	477	-
of which convertible temporary differences pursuant to Law 214/2011:	76,457	93,532
- Tax losses	35,164	16,605
- Rettifiche su crediti deducibili in futuri esercizi	41,293	76,927
To equity	**238**	**257**
- Financial assets measured at fair value	-	29
- Actuarial profit (loss)	238	228
Total	**97,454**	**116,738**

With regard to the recoverability of deferred tax assets, in consideration of their nature and future development prospects in terms of the ability to generate taxable income, there are no particular aspects that could impact their recoverability over a time period of 3 years.

10.2 Deferred tax liabilities: breakdown

	31/12/2024	31/12/2023
To profit and loss statement	**-**	**164**
of which temporary differences:	-	164
- Other	-	164
To equity	**-**	**-**
Total	**-**	**164**

10.3 Changes in deferred tax assets (through the income statement)

	Total 31/12/2024	Total 31/12/2023
1. Opening balance	**116,481**	**133,481**
2. Increase	**43,825**	**32,927**
2.1 Deferred tax assets of the year	43,825	32,927
a) related to previous fiscal year	1,672	865
b) due to changes in accountable parameters	-	-
c) write-backs	-	-
d) others	42,153	32,061
2.2 New levies or increases in fiscal rates	-	-
2.3 Other increases	-	-
3. Decreases	**63,089**	**49,926**
3.1 Anticipated levies cancelled in fiscal year	45,725	49,926
a) reversals of temporary differences	45,725	49,594
b) write-downs of non-recoverable items	-	-
c) changes in accountable parameters	-	-
d) others	-	333
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	17,363	-
a) conversion into tax credit under L. 214/2011	17,363	-
b) others	-	-
4. Closing balance	**97,217**	**116,481**

The increase in deferred tax assets is mainly due to the recognition of tax losses (that can be monetised for Euro 35,164 thousand and that cannot be monetised for Euro 77), and for the remainder increases relating to other provisions.

Reversals of deferred tax assets are mainly attributable to the deductibility related to Italian Decree Law no. 214/2011 for Euro 35,634 thousand and for the remaining part to decreases inherent to other provisions.

10.3bis Changes in deferred tax assets as per Italian Law no. 214/2011

	Total 31/12/2024	Total 31/12/2023
1. Opening balance	**93,532**	**114,657**
2. Increases	**35,922**	**16,605**
3. Decreases	**52,997**	**37,730**
3.1 Reversals of temporary differences	35,634	37,730
3.2 Transformation into tax credits	17,363	-
a) Due to loss positions arisen from P&L	-	-
b) Due to tax losses	17,363	-
3.3 Other decreases	-	-
4. Closing balance	**76,457**	**93,532**

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

The increase relates to the recognition of deferred tax assets on monetisable losses referred to in point 10.3.

10.4 Changes in deferred tax liabilities (through the income statement)

	Total 31/12/2024	Total 31/12/2023
1. Initial amount	**164**	**123**
2. Increase	**-**	**146**
2.1 Defered levies observed in the fiscal year	**-**	**146**
a) related to precedent fiscal year	-	-
b) due to change in accountability parameters	-	-
c) others	-	146
2.2 New levies or increments of fiscal rates	**-**	**-**
2.3 Other increases	**-**	**-**
- di cui operazioni di aggregazione aziendale	-	-
3. Decreases	**164**	**105**
3.1 Defered levies cancelled in the fiscal year	164	105
a) reversals of temporary differences	164	84
b) due to changes in accountable parameters	-	-
c) others	-	21
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
- di cui operazioni di aggregazione aziendale	-	-
4. Final amount	**-**	**164**

10.5 Changes in deferred tax assets (through shareholders' equity)

	Total 31/12/2024	Total 31/12/2023
1. Opening balance	**257**	**662**
2. Increases	**10**	**8**
2.1 Deferred tax assets during the year	10	8
b) related to previous fiscal years	-	-
b) due to changes in accountable parameters	-	-
c) others	10	8
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	-
- of which: business combinations	-	-
3. Decreases	**29**	**414**
3.1 Deferred tax assets derecognised during the year	29	414
a) reversals of temporary differences	-	-
b) devaluation for appeared irrecoverability	-	-
c) due to changes in accountable parameters	-	-
d) others	29	414
3.2 Decreases in fiscal rates	-	-
3.3 Other decreases:	-	-
- of which: business combinations	-	-
4. Closing balance	**238**	**257**

10.6 Changes in deferred tax liabilities (through shareholders' equity)

The Bank does not have any deferred tax liabilities through shareholders' equity.

10.7 Other information

Current tax assets amount to Euro 38,433 thousand (Euro 21,935 thousand in 2023) and consist mainly of receivables for transformation from deferred tax assets as well as receivables pertaining to direct taxes.

Current tax liabilities have a zero balance (Euro 2,287 thousand in 2023), as there is no taxable base. For further details, please refer to the matters illustrated in the Notes to the financial statements - Income Statement - Part C - Section 21 - Income taxes for the year on continuing operations.

Section 11 – Non-current assets held for sale and discontinued operations and associated liabilities – Assets item 110 and Liabilities and Shareholders' equity item 70

11.1 Non-current assets held for sale and discontinued operations: breakdown by type

The Bank does not have any non-current assets held for sale and discontinued operations.

11.2 Other information

There is no further information that needs to be disclosed to comply with IFRS 5, paragraph 42.

Section 12 – Other assets – Item 120

12.1 Other assets: breakdown

	31/12/2024	31/12/2023
Other Assets in transit	**3,819**	**3,382**
Insurance	**39,350**	**36,111**
Receivables deriving from the supply of non-financial goods and services	**17,016**	**13,366**
Operation leases	-	-
Società del Gruppo	5,831	4,737
Due from dealers	1,107	2,528
Advances to suppliers and different customers	10,079	6,101
Tax accounts	**46,257**	**24,313**
VAT	28,086	14,487
Stamp duties	16,078	8,819
Other tax receivables	2,094	1,006
Leasehold improvements	**920**	**1,297**
Accruals and prepaid expenses	**1,108**	**1,657**
Operating lease	-	-
Others	1,108	1,657
Other assets	**244**	**91**
Frauds	-	-
Security deposits	34	67
Grant	-	-
Pending costs	-	-
Warehouse inventories	-	-
Others	210	24
Total	**108,714**	**80,217**

Disclosure on the breakdown of the items is provided below:

- "Items being processed" include items being processed relating to instalment collection;
- "Insurance companies" mainly relates to commission receivables linked to insurance brokerage activities;
- "Group companies" refers to items in relation to companies of the Santander Consumer Bank Italy Group;
- "Affiliates" refers to amounts due from dealers and agents due to the issue of invoices receivable at the turn of the year;
- "Suppliers and other customers" mainly includes items pertaining to service activities with companies belonging to the Banco Santander Group, which are not part of the Italian legal Group, such as Hyundai Capital Bank Europe GmbH - Italian branch;
- "VAT" mainly includes the items originating from the Group VAT and is significantly influenced by the development carried out by the renting companies, which are increasing the purchases of cars.

LIABILITIES AND SHAREHOLDERS' EQUITY

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

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

Type of transaction/Values	Total 31/12/2024				Total 31/12/2023			
	B V	Fair Value			B V	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Deposits from central banks	**-**	X	X	X	**1,310,113**	X	X	X
2. Deposits from banks	**1,746,877**	X	X	X	**1,342,590**	X	X	X
2.1 Current accounts and demand deposits	-	X	X	X	-	X	X	X
2.2 Time deposits	-	X	X	X	-	X	X	X
2.3 Loans	1,737,387	X	X	X	1,250,741	X	X	X
2.3.1 Repos	-	X	X	X	-	X	X	X
2.3.2 Other	1,737,387	X	X	X	1,250,741	X	X	X
2.4 Liabilities relating to commitments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other liabilities	9,490	X	X	X	91,849	X	X	X
Total	**1,746,877**	**-**	**-**	**1,744,515**	**2,652,703**	**-**	**1,312,306**	**1,353,965**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item "Deposits with central banks" included TLTRO III loans, which were fully repaid in 2024.

"Deposits from banks" consists of:

- loan transactions with the Parent Company;
- other payables, relating to cash collateral connected to derivative positions.

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

Type of transaction/Value	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	794,629	X	X	X	683,390	X	X	X
2. Time deposits	749,929	X	X	X	667,644	X	X	X
3. Loans	-	X	X	X	-	X	X	X
3.1 Repos	-	X	X	X	-	X	X	X
3.2 Other	-	X	X	X	-	X	X	X
4. Liabilities relating to commitments to repurchase treasury shares	-	X	X	X	-	X	X	X
5. Lease payables	11,109	X	X	X	12,939	X	X	X
6. Other liabilities	2,483,574	X	X	X	1,733,599	X	X	X
Total	**4,039,242**	**-**	**2,643,909**	**1,349,097**	**3,097,572**	**-**	**1,881,378**	**1,173,333**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The item "other liabilities" mainly includes the "conventional" debt recorded by the Bank with regard to the vehicle Golden Bar, for the purposes of the recognition in the financial statements of the securitisation transactions according to the supervisory instructions; for further details please refer to the Notes to the financial statements - Part E - Section 1 - Paragraph C - Securitisation transactions.

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

Type of securities/Values	Total				Total			
	31/12/2024				31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Debts securities including bonds								
1. bonds	769,918	-	-	785,939	577,257	-	-	598,393
1.1 structured	-	-	-	-	-	-	-	-
1,2 other	769,918	-	-	785,939	577,257	-	-	598,393
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	**769,918**	**-**	**-**	**785,939**	**577,257**	**-**	**-**	**598,393**

Key:
BV = Book value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The balance of the item "debt securities issued" relates to non-preferred senior bonds entirely subscribed by the Parent Company.

1.4 Details of subordinated debts/securities

Type	31/12/2024	31/12/2023
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2029	10,000	10,000
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2031	55,000	55,000
Subordinate debt TIER II to SCF - Santander Consumer Finance - maturing to 2033	80,000	80,000
Total	**145,000**	**145,000**

This item includes loans granted by companies belonging to the Santander Group, classified under the item Deposits from banks.

1.5 Details of structured debts

The Bank has no structured debts.

1.6 Lease payables

The composition of financial outflows for leases relative to the 2023 financial year (IFRS 16 paragraph 53) and the analysis of maturity of the relative liabilities (IFRS 16, paragraph 58) is given below.

	Capital a	Interest b	Variable payments c	Total cash flow leasing d=a+b+c
cash outflows	2,618	326	448	3,392

	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
Lease payables	-	129	-	-	201	217	438	3,726	6,396	-

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by type

Operation type / Values	Total 31/12/2024					Total 31/12/2023				
	NV	Fair Value			Fair Value *	NV	Fair Value			Fair Value *
		L1	L2	L3			L1	L2	L3	
A. Financial liabilities										
1. Deposits from banks	-	-	-	-	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivative instruments										
1. Financial derivatives	-	-	41,280	-	X	-	-	47,472	-	-
1.1 Trading	X	-	41,280	-	X	X	-	47,472	-	X
1.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credits derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**-**	**41,280**	**-**	**X**	**X**	**-**	**47,472**	**-**	**X**
Total (A+B)	**X**	**-**	**41,280**	**-**	**X**	**X**	**-**	**47,472**	**-**	**X**

Key:
NV = Nominal or notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair value* = Fair value calculated by excluding value changes due to issuer's creditworthiness variation from the issuance date

The financial derivatives item includes the negative fair value of derivatives entered into in connection with securitisation transactions with companies of the Santander Group.

2.2 Details of "Financial liabilities held for trading": subordinated liabilities

The Bank has no subordinated liabilities classified under the item "Financial liabilities held for trading".

2.3 Details of "Financial liabilities held for trading": structured debts

The Bank has no structured debts.

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

The Bank does not have any financial liabilities designated at fair value.

Section 4 – Hedging derivatives – Item 40

4.1 Hedging derivatives: breakdown by type of hedge and hierarchical levels

	NV	Fair value 31/12/2024			NV	Fair value 31/12/2023		
	31/12/2024	L1	L2	L3	31/12/2023	L1	L2	L3
A) Financial derivatives	**2,928,536**	**-**	**32,592**	**-**	**1,487,370**	**-**	**16,166**	**-**
1) Fair value	2,928,536	-	32,592	-	1,487,370	-	16,166	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**2,928,536**	**-**	**32,592**	**-**	**1,487,370**	**-**	**16,166**	**-**

Key:
NV = Notional value
L1 = Level 1
L2 = Level 2
L3 = Level 3

The amount shown in the above table refers to the negative fair value of interest rate swaps derivative contracts entered into by the Bank with the Spanish Parent Company Banco Santander. The derivatives portfolio consists of contracts taken out to hedge changes in the fair value of fixed-rate underlying assets. With regard to hedging derivatives receivable, please refer to the Notes to the financial statements "Assets, Section 5 Hedging derivatives, item 50".

With regard to the verification of the effectiveness of the hedge with respect to the underlying element, please refer to the Notes to the financial statements - Part E - Section 2 - Market risks.

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

Transactions/Type of hedge	Fair Value							Cash flow		Foreign invest.
	Specific									
	debt securities and interest rates	equities and equity index	currencies and gold	credit	commodities	others	Generic	Specific	Generic	
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets valued to amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	32,592	X	-	X
4. Other operations	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**32,592**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

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

The Bank does not have any financial liabilities subject to macro hedge.

Section 6 – Tax liabilities – Item 60

With regard to the information relating to this section, please refer to the Notes to the financial statements - Section 10 of the Assets.

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

The Bank does not have any liabilities associated with assets held for sale and discontinued operations.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

	31/12/2024	31/12/2023
Assets in transit	**31,613**	**54,467**
Insurance	**32,890**	**32,909**
Payables deriving from the supply of non-financial goods and services	**44,014**	**51,386**
Other intercompany assets	-	26
Due from dealers	23,923	28,029
Advances to suppliers	20,091	23,331
Tax accounts	**39,321**	**18,104**
Payables relating to customers	**15,101**	**14,747**
Payables relating to personnel and social security institutions	**14,127**	**16,415**
Accruals and prepaid expenses	**252**	**308**
Other	252	308
Other liabilities	**1,202**	**883**
Others	1,202	883
Total	**178,520**	**189,219**

Disclosure on the breakdown of the items is provided below:

- "Items being processed" mainly includes items being processed relating to instalment collection and the settlement of loans;
- "Insurance" mainly includes premiums to be paid to insurance companies and adjustments on revenues to be reimbursed to insurance companies, relating to the premium not availed of by the customer, in the event of early termination of the insurance coverage;
- "Affiliates" mainly consists of the commission payable to dealers and agents and the provision for agents' leaving indemnities;
- "Tax items" mainly include withholding tax to be paid in addition to the intercompany items deriving from the Group VAT; the latter led to a significant increase in the item, in a similar manner to that shown in other assets for credit accrued but not used;
- "Payables to customers" include temporary debt balances with customers for early repayments and the temporary debt balances for instalment payments received in advance of the contractual expiry date;
- "Payables to employees and social security institutions" includes, in addition to the ordinary items, the obligations undertaken in compliance with the provisions of the leaving incentives plans.

Section 9 – Provision for employee severance pay – Item 90

9.1 Provision for employee severance pay: change in the year

	Total 31/12/2024	Total 31/12/2023
A. Opening balance	**2,294**	**2,405**
B. Increases	**129**	**272**
B.1 Provision of the year	77	108
B.2 Other increases	52	164
- of which business aggregation operations	-	-
C. Reductions	**635**	**382**
C.1 Liquidations performed	635	377
C.2 C.2 Other reductions	-	5
- of which business aggregation operations	-	-
D. Closing balance	**1,788**	**2,294**
Total	**1,788**	**2,294**

With the introduction of the reform envisaged by Italian Law no. 296/2006 (2007 Finance Act) on supplementary pensions, amounts provided relate exclusively to the interest cost.

Other increases and decreases refer to changes in actuarial assumptions.

9.2 Other information

The actuarial assumptions adopted for the valuation of the provision at the reporting date are the following:

- discount rate: 3.10%;
- expected inflation rate: 1.80%;
- frequency of advances: 5.00%;
- frequency of termination for reasons other than death, disability, retirement: 6.50%;
- number of retirements: 100% in the year in which they become eligible pursuant to law.

The following demographic assumptions were used:

- death: IPS55 generational table with age-shifting;
- disability: INPS tables;
- retirement: in accordance with Italian Law no. 214/2011.

As regards the application of the amendments made to IAS 19 by EU Regulation no. 475/2012, set out below is a sensitivity analysis for changes in the discount rate.

Sensitivity analysis	**31/12/2024**	**31/12/2023**
Sensitivity to the discount rate		
a. Assumption (+50 bps)	3.60%	4.10%
b. DBO	1,813	2,227
c. Assumption (-50 bps)	2.60%	3.10%
d. DBO	1,718	2,351

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items / Values	Total 31/12/2024	Total 31/12/2023
1. Funds for credit risk related to financial obligations and warranties	4	-
2. Funds on other obligations and warranties release	-	-
3. Funds of business retirement	-	-
4. Other funds for risks and obligations	9,261	13,764
4.1 legal and fiscal controversies	659	2,280
4.2 obligations for employees	-	2,402
4.3 others	8,602	9,081
Total	**9,265**	**13,764**

10.2 Provisions for risks and charges: change in the year

		Pensions and post retirement benefit obligations	Other risk and obligation funds	Total
A. Initial existence	**-**	**-**	**13,764**	**13,764**
B. Increases	**-**	**-**	**126**	**126**
B.1 Reserve of the fiscal year	-	-	126	126
B.2 Variation due to pass of time	-	-	-	-
B.3 Variation due to modifies of discount rate	-	-	-	-
B.4 Other variations	-	-	-	-
- of which business aggregation operations	-	-	-	-
C. Decreases	**-**	**-**	**4,629**	**4,629**
C.1 Use in the exercise	-	-	2,226	2,226
C.2 Variations due to modifies of discount rate	-	-	-	-
C.3 Other variations	-	-	2,402	2,402
- of which business aggregation operations	-	-	-	-
D. Final surplus	**-**	**-**	**9,261**	**9,261**

The increases in item "B.1 - Provisions for the year" mainly relate to potential legal disputes.

The decreases in the item C.1 "Use during the year" mainly relate to potential legal disputes and include both releases of provisions as a matching entry to item 170b) of the income statement, for Euro 231 thousand, and to uses of provisions made to cover disbursements made for Euro 1,996 thousand.

The decreases in item "C.3 - Other changes" are attributable to the uncertain early retirement incentives for 2023, recognised as a liability in 2024 given the change in nature to certain.

10.3 Provisions for credit risk on commitments and financial guarantees given

	Funds for credit risk related to financial obligation and warranties release				
	First stage	Second stage	Third stage	Purchased or originated impaired	Total
Obligation to distribute funds	4	1	-	-	4
Financial warranties release	-	-	-	-	-
Total	**4**	**1**	**-**	**-**	**4**

10.4 Provisions on other commitments and other guarantees given

The Bank does not have provisions on other commitments and other guarantees given.

10.5 Defined-benefit pension plans

The Bank does not have defined-benefit pension plans.

10.6 Provisions for risks and charges - other provisions

The "Other provisions" are divided into:

- "Legal disputes": the provision has been established essentially to deal with disbursement forecasts on lawsuits brought with customers; allocations were made on the basis of external legal opinions over a forecast period of four years;
- "Payroll costs": the provision consisted of early retirement incentives of an uncertain nature in 2023;
- "Other" refers to allocations to cover:
    - charges related to the post-Lexitor application on the salary assignment product for Euro 7,023 thousand; for more details, please refer to the consolidated report on operations;
    - charges related to claims on the salary assignment product for Euro 1,200 thousand; for more details, please refer to the consolidated report on operations;
    - restoration costs relating to assets underlying the application of IFRS 16 for Euro 66 thousand, over a forecast period of one year;
    - other presumed reimbursements to customers for Euro 312 thousand, over a forecast period of three years.

Section 11 – Redeemable shares – Item 120

The Bank does not have any share redemption plans.

Section 12 – Shareholders' equity – Items 110, 130, 140, 150, 160, 170 and 180

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

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

There are no treasury shares in the portfolio.

For further information, please refer to point 12.3 below.

12.2 Share capital – Number of shares: change in the year

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

12.3 Share capital: other information

The share capital amounts to Euro 573,000 thousand, and is made up of ordinary shares with a par value of Euro 1,000 each.

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

12.4 Profit reserves: other information

The profit reserves are mainly composed of:

- legal reserve for Euro 36,772 thousand;
- extraordinary reserve for Euro 318,261 thousand;
- capital reserve for Euro 39,913 thousand.

12.5 Equity instruments: breakdown and change in the year

The Bank does not have any equity instruments.

12.6 Other information

The Bank does not have any financial instruments repayable on demand (puttable financial instruments).

The proposed allocation of the result for the year is indicated in the paragraph "Proposals to the shareholders' meeting" in the management report.

As required by article 2427, paragraph 7-bis of the Italian Civil Code, the following table describes in detail the items of shareholders' equity with an indication of their origin, extent to which they are available for use or for distribution, as well as how they have been used in previous years.

Items	Amount	Permitted uses (*)	Available portion	Summary of use in the three previous fiscal year	
				to cover losses	for other reasons
Share capital	**573,000**			**-**	**-**
Share premium reserve	**633**			**-**	
Reserves	**394,946**			**-**	
Legal reserve	36,772	A(1), B		-	
Extraordinary reserve	318,261	A, B, C	318,261 €	-	
FTA reserve	-			-	
Reserves from incorporation	-			-	
Reserve for changes in previous financial year results	-	(2)		-	
Losses from previous years carried forward	-			-	
Capital reserve	39,913.00	A, B		-	
Incorporation reserve	-			-	
Other reserve	-			-	
Revaluation reserves	**(626)**			**-**	
Revaluation reserves FVOCI	-	(2)		-	
Actuarial gains(losses) on defined benefit plans	(626)	(2)		-	
Net income (loss)	**28,866**			**6,455**	**-**
Total	**996,818 €**			**6,455 €**	**- €**

(*) A = for increase in capital; B = to cover losses; C = for distribution to shareholders
(1) To be used to increase capital (A) for the portion exceeding one fifth of share capital
(2) The reserve is restricted pursuant to article 6 of Italian Legislative Decree no. 38/2005

OTHER INFORMATION

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

	Nominal value on financial release obligations and guarantees				Totale 31/12/2024	Totale 31/12/2023
	First stage	Second stage	Third stage	Purchased or originated impaired		
1. Commitment to supply funds	**189,062**	**1**	**3**	**-**	**189,066**	**100,746**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	200	-	-	-	200	200
d) Other financial companies	353	-	-	-	353	-
e) Non-financial companies	186,469	-	-	-	186,469	98,617
f) Families	2,039	1	3	-	2,043	1,929
2. Financial guarantees issued	**-**	**-**	**-**	**-**	**-**	**-**
a) Central Banks	-	-	-	-	-	-
b) Public Administration	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-
d) Other financial companies	-	-	-	-	-	-
e) Non-financial companies	-	-	-	-	-	-
f) Families	-	-	-	-	-	-

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

2. Other commitments and other guarantees given

	Nominal value	
	Total 31/12/2024	Total 31/12/2023
Other guarantees issued		
of which: impaired	-	-
a) Central banks	-	-
b) Public Administration	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Other commitment		
of which: impaired	-	-
a) Central banks	-	-
b) Public Administration	576	576
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-

There are no other commitments and other guarantees given that fall within the scope of IFRS 4.

3. Assets used to guarantee own liabilities and commitments

Portfolios	Amounts 31/12/2024	Amounts 31/12/2023
1. Financial assets designated at fair value through profit or loss	-	-
2. Financial assets at fair value through other comprehensive income	-	33,660
3. Financial assets valued to amortised cost	2,567,249	3,775,180
4. Property, plant and equipment	-	-
of which: inventories of property, plant and equipment	-	-

The assets used to guarantee own liabilities include:

- bank deposits;
- the portfolio of loans subject to securitisation, referred to below in the Notes to the financial statements - Part E.

4. Administration and brokerage on behalf of third parties

The Bank does not carry out administration and brokerage on behalf of third parties.

5. Financial assets subject to offsetting in the financial statements, or subject to framework netting or similar agreements

Instrument type		Gross amount of financial assets (a)	Amount of financial liabilities compensated in balance sheet (b)	Net amount of financial assets reported in balance sheet (c=a-b)	Related amounts not recognised in Balance Sheet		Net amounts (f=c-d-e)	Net amounts
					Financial instruments (d)	Cash deposit received in guarantee (e)	31/12/2024	31/12/2023
1. Derivatives		39,516	-	39,516	-	7,686	31,831	(6,202)
2. Repo's		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4. Others		-	-	-	-	-	-	-
Total	**31/12/2024**	**39,516**	**-**	**39,516**	**-**	**7,686**	**31,831**	**X**
Total	**31/12/2023**	**104,890**	**-**	**104,890**	**-**	**111,092**	**X**	**(6,202)**

As required by IFRS 7, it is hereby disclosed that the derivative contracts in place as at the balance sheet date are derivative instruments mainly with Banco Santander with a positive fair value, subject to an ISDA-based framework agreement and are thus subject to net settlement arrangements. There are no arrangements in place for the offsetting of derivatives with negative balance of the same type.

Column e) "Cash collateral received" shows the effect of the potential offsetting of exposures for which cash collateral has been provided.

6. Financial liabilities subject to offsetting in the financial statements, or subject to framework netting or similar agreements

Instrument type		Gross amount of the financial liabilities (a)	Amount of the financial assets compensed in BS (b)	Net amount of the financial liabilities reportes in BS (c=a-b)	Related amounts not recognised in Balance Sheet		Net amount (f=c-d-e)	Net amount
					Financial instruments (d)	Cash deposit placed to warrant (e)	31/12/2024	31/12/2023
1. Derivatives		42,858	-	42,858	-	8,336	34,523	(2,185)
2. Repos		-	-	-	-	-	-	-
3. Stocks loan		-	-	-	-	-	-	-
4.Others		-	-	-	-	-	-	-
Total	**31/12/2024**	**42,858**	**-**	**42,858**	**-**	**8,336**	**34,523**	**X**
Total	**31/12/2023**	**36,957**	**-**	**36,957**	**-**	**39,142**	**X**	**(2,185)**

As required by IFRS 7, it is hereby disclosed that the derivatives in place as at the balance sheet date are derivative instruments with Banco Santander with a negative fair value, subject to an ISDA-based framework agreement and are thus subject to net settlement arrangements. There are no arrangements in place for the offsetting of derivatives with positive balance of the same type.

Column e) "Cash collateral received" shows the effect of the potential offsetting of exposures for which cash collateral has been provided.

7. Securities lending transactions

The Bank does not have any securities lending transactions.

8. Information on joint arrangements

The Bank does not have any joint arrangements.

Part C – Information on the income statement

Section 1 – Interest – Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other operations	Total 31/12/2024	Total 31/12/2023
1. Financial assets valued to fv with impact to Profit and Loss:	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated to fv	-	-	-	-	-
1.3 Other financial assets mandatorly valued to fair value	-	-	-	-	-
2. Financial assets valued to fv with impact on overall profitability	4,536	-	X	4,536	7,279
3. Financial assets valued to amortize cost:	10,362	366,032	-	376,395	307,384
3.1 Credits to banks	-	4,541	X	4,541	3,544
3.2 Credits to clients	10,362	361,492	X	371,854	303,840
4. Hedging derivatives	X	X	57,275	57,275	70,051
5. Other assets	X	X	9,952	9,952	7,888
6. Financial liabilities	X	X	X	-	-
Total	**14,899**	**366,032**	**67,227**	**448,158**	**392,602**
of which: income interests on deteriorated financial assets	-	-	-	-	-
of which: interest income on financial lease	X	8,907	X	8,907	8,320

Interest income deriving from the item "Other assets" comprises income originating from Cash and cash and cash equivalents.

1.2 Interest and similar income: other information

The Bank does not have any financial assets in foreign currency.

1.3 Interest and similar expense: breakdown

Items/Technical forms	Debts	Securities	Other operations	Total 31/12/2024	Total 31/12/2023
1. Financial liabilities valued at amortized cost	257,179	33,183	X	290,362	215,272
1.1 Debts to central banks	30,973	X	X	30,973	68,483
1.2 Debts to banks	69,346	X	X	69,346	44,126
1.3 Debts to customers	156,860	X	X	156,860	85,918
1.4 Securities in circulation	X	33,183	X	33,183	16,746
2. Financial trading liabilities	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and funds	X	X	1	1	3
5. Hedging derivatives	X	X	305	305	1,567
6. Financial assets	X	X	X	119	75
Total	**257,179**	**33,183**	**306**	**290,787**	**216,917**
of which: interest expense on lease payables	326	X	X	326	254

Interest expense deriving from the item:

- "due to central banks" mainly consists of charges on TLTRO III loans;
- "deposits from banks" and "securities issued" mainly consists of charges on funding provided by Santander Group companies;
- "payables due to customers" mainly consists of the cost of funding through deposit accounts for Euro 52,056 thousand (Euro 34,401 thousand in 2023) and securitisation transactions for Euro 104,478 thousand (Euro 51,258 thousand in 2023);
- "financial assets" consists of charges deriving from government securities.

1.4 Interest expenses and similar charges: other information

1.4.1 Interest expenses on foreign currency financial liabilities

The Bank does not have any financial liabilities in foreign currency.

1.5 Differentials on hedging operations

Items	Totale 31/12/2024	Totale 31/12/2023
A. Positive differentials related to hedging operations:	57,275	70,051
B. Negative differentials related to hedging operations:	(305)	(1,567)
C. Balance (A-B)	**56,970**	**68,484**

Section 2 – Fees and commission – Items 40 and 50

2.1 Fee and commission income: breakdown

Type of service/Values	Total 31/12/2024	Total 31/12/2023
	-	-
1. Securities placement	-	-
1.1 Under firm assumption and/or on the basis of an irrevocable commitment	-	-
1.2 Without firm commitment	-	-
2. Receipt and transmission of orders and execution for customers	-	-
2.1 Receipt and transmission of orders for one or more financial instruments	-	-
2.2 Execution of orders on behalf of customers	-	-
3. Other fees connected with activities related to financial instruments	-	-
of which: trading on own account	-	-
of which: management of individual portfolios	-	-
b) Corporate Finance	-	-
1. Merger and Acquisition Advice	-	-
2. Treasury services	-	-
3. Other fees associated with corporate finance services	-	-
c) Investment advisory activities	-	-
d) Clearing and settlement	-	-
e) Custody and administration	-	-
1. Custodian bank	-	-
2. Other fees related to custody and administration	-	-
f) Central administrative services for collective portfolio management	-	-
g) Trust business	-	-
h) Payment services	20,344	17,556
1. Current account	-	-
2. Credit cards	63	185
3. Debit and other payment cards	-	-
4. Wire transfers and other payment orders	-	-
5. Other fees related to payment services	20,282	17,371
i) Distribution of third party services	54,547	51,401
1. Collective portfolio management	-	-
2. Insurance products	53,218	50,765
3. Other products	1,329	635
of which: individual portfolio management	-	-
j) Structured Finance	-	-
k) Servicing for securitization transactions	-	-
l) Commitments to disburse funds	-	-
m) Financial guarantees issued	111	5
of which: credit derivatives	-	-
n) Financing operations	598	656
of which: for factoring transactions	-	-
o) Currency trading	-	-
p) Goods	-	-
q) Other commission income	2,719	2,384
of which: for management activities of multilateral trading systems	-	-
of which: for management activities of organized trading systems	-	-
Total	**78,319**	**72,001**

The item "Other commission" mainly contains the income recognised for compensation due to late payment.

2.2 Fee and commission income: distribution channels for products and services

Channels/Values	Total 31/12/2024	Total 31/12/2023
b) at own branches:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. services and products of third parties	-	-
b) out of office offer:	**54,547**	**51,401**
1. portfolio management	-	-
2. securities placement	-	-
3. services and products of third parties	54,547	51,401
c) other distributive channels:	**-**	**-**
1. portfolio management	-	-
2. securities placement	-	-
3. services and products of third parties	-	-

2.3 Fee and commission expense: breakdown

Services/Amounts typology	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	-	-
of which: trading of financial instruments	-	-
of which: placement of financial instruments	-	-
of which: management of individual portfolios	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	42	-
c) Custody and administration	68	75
d) Payment and collection services	3,817	3,560
of which: credit cards, debit cards and other payment cards	428	582
e) Servicing activities for securitization transactions	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	79	38
of which: credit derivatives	-	-
h) Off-site offering of financial instruments, products and services	31,789	28,143
i) Currency trading	-	-
j) Other commission expenses	-	-
Total	**35,795**	**31,816**

The item "Off-site distribution of financial instruments, products and services" mainly includes commission paid for the placement of banks and insurance products and the contributions and indemnities accrued by the agency network.

Section 3 – Dividends and similar revenues – Item 70

The Bank has not received any dividends or similar income.

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

4.1 Net trading income (loss): breakdown

Transactions / Income	Capital gain (A)	Income from negotiation (B)	Capital loss (C)	Loss from negotiation (D)	Net result [(A+B) - (C+D)]
1. Financial trading assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equity stocks	-	-	-	-	-
1.3 O.I.C.R. shares	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**-**
4. Derivatives	**18,545**	**21,872**	**(18,959)**	**(22,215)**	**(757)**
4.1 Derivati finanziari:	18,545	21,872	(18,959)	(22,215)	(757)
- On debt securities and interest rates	18,545	21,872	(18,959)	(22,215)	(757)
- On capital stocks and stock indexes	-	-	-	-	-
- On currency and gold	X	X	X	X	-
- Others	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to fv option	X	X	X	X	-
Total	**18,545**	**21,872**	**(18,959)**	**(22,215)**	**(757)**

The item includes the net result arising from financial derivatives held to hedge interest rate risk associated with securitisation transactions that do not meet the requirements for classification as hedging derivatives.

Section 5 – Net hedging income (loss) – Item 90

5.1 Net hedging income (loss): breakdown

P&L item/Values	Total 31/12/2024	Total 31/12/2023
A. Income from:		
A.1 Fair value hedging instruments	1,002	-
A.2 Financial assets hedged (fair value)	37,257	95,197
A.3 Financial liabilities hedged (fair value)	-	-
A.4 Cash-flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income in hedge accounting (A)	**38,259**	**95,197**
B. Charges on		
B.1 Fair value hedging instruments	(38,668)	(96,697)
B.2 Financial assets hedged (fair value)	-	-
B.3 Financial liabilities hedged (fair value)	-	-
B.4 Cash-flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedging activity (B)	**(38,668)**	**(96,697)**
C. C. Net hedging activity (A-B)	**(409)**	**(1,500)**
of which: net gains (losses) of hedge accounting on net positions	-	-

Section 6 – Gains (losses) on disposal or repurchase – Item 100

6.1 Gains (losses) on disposal or repurchase: breakdown

Items / Income	Total 31/12/2024			Total 31/12/2023		
	Gain	Losses	Net profit	Gain	Losses	Net profit
A. Financial assets						
1. Financial assets valued at amortised cost	14,568	-	14,568	6,319	-	6,319
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans and customers	14,568	-	14,568	6,319	-	6,319
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**14,568**	**-**	**14,568**	**6,319**	**-**	**6,319**
B. Financial liabilities valued at amortised cost						
1. Deposits with banks	-	-	-	-	-	-
2. Deposits with customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**-**	**-**	**-**	**-**	**-**	**-**

The item "Loans to customers" is represented by the balance of the transfer to third parties of without recourse NPL receivables in write-offs under management.

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

The Bank does not have any financial assets or liabilities measured at fair value.

Section 8 – Net adjustments/recoveries for credit risk – Item 130

8.1 Net adjustments for credit risk associated with financial assets measured at amortised cost: breakdown

Transactions/Income	Adjustments (1)						Write - backs (2)				Total	Total
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023
			Write-off	Others	Write-off	Others						
A. Credit to banks	-	-	-	-	-	-	-	-	-	-	-	-
- Loans	-	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	(18,084)	(21,925)	(42,177)	(62,024)	-	-	16,796	2,304	41,851	-	(83,259)	(45,538)
- Loans	(18,084)	(21,925)	(42,177)	(62,024)	-	-	16,796	2,304	41,851	-	(83,259)	(45,538)
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(18,084)**	**(21,925)**	**(42,177)**	**(62,024)**	**-**	**-**	**16,796**	**2,304**	**41,851**	**-**	**(83,259)**	**(45,538)**

For greater details on the changes, please refer to the Report on Operations - D1 - Economic performance and in the Notes to the financial statements - Part E - Information on risks and related hedging policies.

8.2 Net adjustments for credit risk associated with financial assets measured at fair value through other comprehensive income: breakdown

The Bank does not have any value adjustments of financial assets at fair value through other comprehensive income.

Section 9 – Gains/losses on contractual changes without cancellations – Item 140

The Bank does not have any profits/losses from contractual changes without cancellations.

Section 10 – Administrative costs – Item 160

10.1 Payroll costs: breakdown

Type of expense/Amounts	Total 31/12/2024	Total 31/12/2023
1) Dependent staffs	**(48,054)**	**(65,983)**
a) wages and salaries	(33,497)	(35,835)
b) social obligation	(8,784)	(9,740)
c) Severance pay	(3)	(4)
d) Social security costs	-	-
e) reserve to staff severance indemnity	(77)	(108)
f) reserve to retirement fund and similar obligations	-	-
- defined contribution	-	-
- defined benefit	-	-
g) deposit to external complementary welfare funds:	(3,429)	(3,423)
- defined contribution	(3,429)	(3,423)
- defined benefit	-	-
h) Expenses resulting from share based payments	-	-
i) other benefits in favour of dependents	(2,264)	(16,871)
2) Other staffs in activity	**(942)**	**(788)**
3) Managers and statutory auditors	**(420)**	**(459)**
4) Staffs collocated to retirement	**-**	**-**
5) Recovery of expenses for employees seconded to other companies	**3,740**	**3,597**
6) Refunds of expenses for third party employees seconded to the company	**-**	**(20)**
Total	**(45,675)**	**(63,653)**

The item "Other employee benefits" decreased compared to the previous year as the latter was influenced by the company reorganisation process.

10.2 Average number of employees, by category

	31/12/2024	31/12/2023
Employees:		
a) Senior managers	12	14
b) Managers	171	174
of which 3rd and 4th level	*54*	*57*
c) Remaining employees staff	443	492
Total	**626**	**680**
Other personnel	**8**	**9**

10.3 Defined-benefit pension plans: costs and revenues

The Bank does not have defined-benefit pension plans.

10.4 Other employee benefits

	31/12/2024	31/12/2023
Ancillary staff expenses (health insurance, luncheon vouchers and other minor benefits)	2,082	1,884
Incentive plan reserved for managers and middle managers	183	14,987
Cost of allocation of share by the parent company to employees		
Total	**2,264**	**16,871**

10.5 Other administrative costs: breakdown

Type of service/Amounts	Total 31/12/2024	Total 31/12/2023
IT expenses	**20,172**	**13,623**
Hardware	-	-
Software	18,516	10,959
Outsourcing	822	1,465
Telephone and data transmission	834	1,199
Taxes and duties	**13,128**	**10,456**
Professional services	**5,594**	**7,576**
Legal and notary advice	153	2,374
Outsourcing	3,543	3,648
Other professional services	1,898	1,554
Advertising, marketing and communication	**4,252**	**4,012**
Expenses related to credit risk	**13,692**	**11,451**
Information and certificates	1,482	1,396
Credit recovery	12,210	10,054
Litigation expenses not covered by provisions	**1,356**	**1,284**
Real estate expenses	**854**	**1,441**
Passive rent	-	423
Other real estate expenses	854	1,018
Leasing expenses	**356**	**445**
Other admininstrative expenses	**8,972**	**10,479**
Postal and archiving	1,521	1,752
Other non-professional goods and services	3,106	3,709
Insurance premiums	56	62
Resolution Fund contribution	-	1,985
FITD contribution	2,007	1,887
Other expenses	2,281	1,083
Total	**68,377**	**60,767**

"IT expenses" increased due to non-recurrent events. For greater information, please refer to the relevant section in the Notes to the consolidated financial statements - Part E concerning operational risks.

Section 11 – Net provisions for risks and charges – Item 170

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

	Additions	Uses	Net provision 31/12/2024	Net provision 31/12/2023
Net provision on commitment and financial guaranties	(4)	-	(4)	-

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

The Bank does not have other commitments and other guarantees given.

11.3 Net provisions for other risks and charges: breakdown

	Additions	Uses	Net provision 31/12/2024	Net provision 31/12/2023
Net personnel expense provision				
Net provision for legal disputes	(88)	150	**62**	54
Other provisions	(1,157)	1,200	**43**	(109)
Totale	**(1,245)**	**1,350**	**105**	**(54)**

For further details, please refer to the Notes to the financial statements - Part B - Section 10 - Other provisions for risks and charges.

Section 12 – Net adjustments to/recoveries on property, plant and equipment – Item 180

12.1 Net adjustments to property, plant and equipment: breakdown

Attività/Componente reddituali	Depriciation (a)	Impairment losses (b)	Write-backs (c)	Net result (a + b - c)
A. Property, equipment and investment property				
1. For operational use	(2,750)	-	-	(2,750)
- Owned	(665)	-	-	(665)
- Licenses acquired through lease	(2,085)	-	-	(2,085)
2. Held for investment	-	-	-	-
- Owned	-	-	-	-
- Licenses acquired through lease	-	-	-	-
3. Inventories	X	-	-	-
Total	**(2,750)**	**-**	**-**	**(2,750)**

Section 13 – Net adjustments to/recoveries on intangible assets – Item 190

13.1 Net adjustments to intangible assets: breakdown

Asset/Income	Amortization (a)	Impairment losses (b)	Write-backs (c)	Net profit (a + b - c)
A. Intangible assets				
of which: software	(12,782)	-	-	(12,782)
A.1 Owned	(12,782)	-	-	(12,782)
- Generated internally by the company	-	-	-	-
- Other	(12,782)	-	-	(12,782)
A.2 Licenses acquired through lease	-	-	-	-
Total	**(12,782)**	**-**	**-**	**(12,782)**

Section 14 – Other operating expenses/income – Item 200

14.1 Other operating expenses: breakdown

	Total 31/12/2024	Total 31/12/2023
Amortization on improvements (not separable) on real estates	**377**	**452**
Expenses related to leasing transactions	**716**	**634**
Finance	716	634
Other	**8,634**	**5,288**
Fraud	1,173	1,342
Expenses on claims	4,704	2,629
Other	2,757	1,318
Total	**9,727**	**6,374**

The item "other charges" mainly includes out-of-period amounts not recognised under their own item, write-downs of other assets and disposals of assets.

14.2 Other operating income: breakdown

	Total 31/12/2024	Total 31/12/2023
Recovery of expenses	**11,268**	**10,345**
Tax	10,801	9,726
Deposits and Current accounts	258	316
Other	209	303
Rental assets	**38**	**68**
Other	**29,045**	**25,811**
Group entities	13,297	13,068
Finance leases	1,226	756
Other	14,522	11,986
Total	**40,351**	**36,223**

The item "Services rendered to Group companies" includes servicing fees and reimbursements of expenses to Santander Consumer Bank Italy Group companies.

The item "other" includes the servicing fees and reimbursements of expenses from the JV Hyundai Capital Bank Europe GmbH - Italian branch, classified in this sub-item as it is not part of the Santander Consumer Bank Italy Group for Euro 13,709 thousand (Euro 10,865 thousand in 2023).

Section 15 – Gain (losses) of equity investments - Item 220

The Bank does not have any gains or losses on equity investments.

Section 16 – Net result from fair value measurement of property, plant and equipment and intangible assets – Item 230

The Bank does not have any property, plant and equipment and intangible assets measured at fair value.

Section 17 – Value adjustments to goodwill – Item 240

The Bank has no goodwill.

Section 18 – Gains (losses) on disposals of investments - Item 250

The Bank has no gains or losses on disposal of investments.

Section 19 – Income taxes for the year on continuing operations – Item 270

19.1 Income taxes for the year on continuing operations: breakdown

Income/Value	Total 31/12/2024	Total 31/12/2023
1. Current tax expense (-)	-	(1,770)
2. Change of current taxes of previous years (+/-)	(477)	2,111
3. Reduction in current tax for the period (+)	-	-
3. bis Reductions in current tax expense for the period due tax credit related to L. 214/2011 (+)	-	-
4. Change of deferred tax assets (+/-)	(1,999)	(17,000)
5. Change of deferred tax liabilities (+/-)	164	(41)
6. Tax espense for the year (-)	**(2,313)**	**(16,700)**

19.2 Reconciliation between theoretical and effective tax charge

	31/12/2024	31/12/2023
Profit (loss) from continuing operations before tax	31,179	59,564
Profit before tax on discontinuing operations		
Theoretical taxable income	**31,179**	**59,564**
IRES - Theoretical tax charge	(8,574)	(16,380)
- effect of income and expenses that do not contribute to the tax base	6,593	2,315
- effect of expenses that are wholly or partially non-deductible	(390)	(902)
- variation in taxes from previous financial years	660	2,209
- Other	0	
IRES - Effective tax burden	**(1,711)**	**(12,758)**
IRAP - Theoretical tax charge	(1,737)	(3,318)
- portion of non-deductible administrative expenses, depreciation and amortisation		
- portion of non-deductible interest expense	(646)	(1,079)
- effect of income and expenses that do not contribute to the tax base	1,335	
- effect of expenses that are wholly or partially non-deductible	10	(43)
- variation in taxes from previous financial years	436	475
- Other		23
IRAP - Effective tax burden	**(602)**	**(3,942)**
Effective tax burden as shown in the financial statements	**(2,313)**	**(16,700)**

The item "effects of income and charges that change the tax base" includes the benefits inherent in the Patent Box regime in 2024; for greater information, please refer to the Consolidated report on operations, while in the previous year this aggregate included the benefits inherent to the ACE, now repealed.

Section 20 – Profit (loss) after tax from discontinued operations – Item 290

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

Section 21 – Other information

For information on public disbursements pursuant to Article 1, paragraph 125 of Italian Law no. 124 of 4 August 2017 ("Annual law for the market and the competition"), please refer to the Notes to the consolidated financial statements- Part C - Section 24 - Other information.

Section 22 – Earnings per share

22.1 Average number of ordinary shares (fully diluted)

The Bank does not hold shares for which is IAS 33 applicable, therefore the disclosures required by this section do not apply.

22.2 Other information

There is no further information to be disclosed in this section.

Part D – Comprehensive Income

Statement of comprehensive income

	Items	Totale	
		31/12/2024	31/12/2023
10.	**Net Profit (Loss) for the year**	**28,866**	**42,864**
	Other comprehensive income after tax not to be recycled to income statement		
20.	Equity securities designated at fair value with an impact on total income:	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
30.	Financial liabilities designated at fair value with impact on the income statement (changes in creditworthiness):	-	-
	a) changes in fair value	-	-
	b) transfers to other components of equity	-	-
40.	Hedges of equity securities designated at fair value with an impact on total profitability:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	(35)	(164)
80.	Non current assets classified as held for sale	-	-
90.	Valuation reserves from investments accounted for using the equity method	-	-
100.	Income taxes relating to other income components without reversal to the income statement	10	8
	Other comprehensive income after tax to be recycled to income statement		
110.	Hedge of foreign investments:	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
120.	Exchange differences:	-	-
	a) value change	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
130.	Cash flow hedges:	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments:	-	-
	a) value change	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
150.	Financial assets (no equity securities) measured at fair value with an impact on total profitability:	88	1,251
	a) changes in fair value	88	1,251
	b) reclassification through profit or loss	-	-
	- adjustments to credit risk	-	-
	- gains / losses from realization	-	-
	c) other changes	-	-
160.	Non current assets classified as held for sale:	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	c) other changes	-	-
170.	Valutation reserves from investments accounted for using the equity method;	-	-
	a) changes in fair value	-	-
	b) reclassification through profit or loss	-	-
	- impairment adjustments	-	-
	- gains / losses from realization	-	-
	c) other changes	-	-
180.	Income taxes relating to other income components with reversal to the income statement	(29)	(414)
190.	**Total of other comprehensive income after tax**	**33**	**681**
200.	**Comprehensive income (Items 10+190)**	**28,899**	**43,545**

Part E – Information on risks and related hedging policies

Introduction

Santander Consumer Bank carried out its activities based on the principles of prudence and the containment of risk exposure, in line with the requirements of regulatory principles for prudential supervision.

The Risk Governance Policies represent the reference model in the organisational and process development and in the systematic execution of all operating and business activities carried out in all areas and are an integral part of the Risk Management Process.

These notes to the financial statements provide quantitative information.

With regard to information of a qualitative nature pertaining to the management and monitoring of risks, the organisation and governance of the bank's risks, the key processes and functions, the risk culture in its contents and methods of dissemination, the business model with its risks, the tools used to monitor them (Risk Appetite Statement) and the risk management strategies, please refer to Part E of the Notes to the consolidated financial statements.

Section 1 – Credit risk

Qualitative information

The credit strategies and policies are linked to the specific nature of the type of business managed in which credit risk, as previously indicated, is the main component to which the Bank is exposed. This risk is associated with the probability that a borrower may be unable to meet its contractual obligations, thus exposing the company to possible future losses, or that it may experience a deterioration in creditworthiness that could compromise its future ability to fulfil its obligations.

As a whole, Santander Consumer Bank's assets, in line with that which was observed in previous years, continue to be characterised by a very high average number of customers, with medium/low exposure and limited average residual duration. The credit risk therefore exists, but in a situation of high fragmentation and no substantial changes are evident.

Quantitative information

A. Credit quality

A.1 Performing and non-performing credit exposures: amounts, value adjustments, trends and economic distribution

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

Portfolios/quality	Non-performing loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other not impaired exposures	Total
1. Financial assets valued to amortised cost	4,086	25,263	44,289	59,916	6,882,175	7,015,729
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets designated to fair value	-	-	-	-	-	-
4. Other financial assets mandatorily valuated to fair value	-	-	-	-	-	-
5. Financial instruments classified as held for sale	-	-	-	-	-	-
Total 31/12/2024	**4,086**	**25,263**	**44,289**	**59,916**	**6,882,175**	**7,015,729**
Total 31/12/2023	**2,822**	**18,226**	**39,442**	**51,040**	**6,646,255**	**6,757,786**

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolio/quality	Impaired				Not impaired			Total (net exposition)
	Gross exposure	Overall writedowns of value	Net exposure	Overall partial write-off*	Gross exposure	Overall writedowns of value	Net exposure	
1. Financial assets valued to amortized cost	177,164	(103,526)	73,638	-	6,996,282	(54,191)	6,942,091	7,015,729
2. Financial assets valued to fair value with impact on overall profitability	-	-	-	-	-	-	-	-
3. Financial assets designated to fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily valuated to fair value	-	-	-	-	X	X	-	-
5. Financial assets as held for sale	-	-	-	-	-	-	-	-
Total 31/12/2024	**177,164**	**(103,526)**	**73,638**	**-**	**6,996,282**	**(54,191)**	**6,942,091**	**7,015,729**
Total 31/12/2023	**139,159**	**(78,668)**	**60,491**	**-**	**6,739,552**	**(42,257)**	**6,697,295**	**6,757,786**

Portfolio/quality	Assets of obvious poor credit quality		Other assets
	Cumulated losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	40,171
2. Hedging Derivatives	-	-	8,827
Total 31/12/2024	**-**	**-**	**48,999**
Total 31/12/2023	**-**	**-**	**125,678**

A.1.3 Distribution of financial assets by past due time bands (book values)

Portfolios / stages of risk	First step			Second step			Third step			Purchased or originated impaired		
	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days	From 1 day to 30 days	Over 30 days until 90 days	Over 90 days
1. Financial assets valued at amortized cost	15,755	2,891	4,028	27,143	8,749	1,350	3,100	3,911	42,818	-	-	-
2. Financial assets valued at fair value with impact on overall profitability	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	**15,755**	**2,891**	**4,028**	**27,143**	**8,749**	**1,350**	**3,100**	**3,911**	**42,818**	**-**	**-**	**-**
Total 31/12/2023	**31,769**	**4,862**	**4,144**	**3,342**	**5,939**	**985**	**2,229**	**3,136**	**34,530**	**-**	**-**	**-**

A.1.4 Financial assets, commitments to disburse funds and guarantees given: dynamics of total write-downs and total provisions

Causal / risk stages	Total value adjustments											
	First stage activities						Second stage activities					
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total profitability	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns
Total opening adjustments	**-**	**33,013**	**-**	**-**	**-**	**33,013**	**-**	**9,244**	**-**	**-**	**-**	**9,244**
Changes in increase from financial assets acquired or originated	-	18,276	-	-	-	18,276	-	-	-	-	-	-
Cancellations other than write-offs	-	(7,311)	-	-	-	(7,311)	-	(415)	-	-	-	(415)
Net value adjustments / write-backs for credit risk (+/-)	-	(13,927)	-	-	-	(13,927)	-	15,386	-	-	-	15,386
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(18)	-	-	-	(18)	-	(58)	-	-	-	(58)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**30,033**	**-**	**-**	**-**	**30,033**	**-**	**24,158**	**-**	**-**	**-**	**24,158**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	(1,056)	-	-	-	(1,056)	-	(119)	-	-	-	(119)

Causal / risk stages	Total value adjustments											Accantonamenti complessivi su impegni a erogare fondi e garanzie finanziarie rilasciate				Tot.
	Activities included in the third stage						Attività fin. impaired acquisite o originate									
	Credit to banks and Central Banks on demands	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	Financial assets measured at amortized cost	Financial assets measured at fair value with an impact on total	Financial assets held for sale	of which: individual writedowns	of which: collective writedowns	First stage	Second stage	Third stage	Commitments to provide funds and financial guarantees issued impaired acquired or originated	
Total opening adjustments	**-**	**78,668**	**-**	**-**	**288**	**78,380**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**120,925**
Changes in increase from financial assets acquired or originated	-	-	-	-	-	-	X	X	X	X	X	4	1	-	-	18,281
Cancellations other than write-offs	-	(3,102)	-	-	(19)	(3,083)	-	-	-	-	-	-	-	-	-	(10,828)
Net value adjustments / write-backs for credit risk (+/-)	-	35,783	-	-	34	35,749	-	-	-	-	-	-	-	-	-	37,243
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	(7,822)	-	-	-	(7,822)	-	-	-	-	-	-	-	-	-	(7,899)
Other variations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**103,526**	**-**	**-**	**303**	**103,223**	**-**	**-**	**-**	**-**	**-**	**4**	**1**	**-**	**-**	**157,722**
Recoveries from financial assets subject to write-off	-	3,609	-	-	-	3,609	-	-	-	-	-	-	-	-	-	3,609
Write-offs recorded directly in the income statement	-	(41,003)	-	-	-	(41,003)	-	-	-	-	-	-	-	-	-	(42,177)

A.1.5 Financial assets, commitments to disburse funds and financial guarantees given: transfers between the various stages of credit risk (gross and nominal values)

Portofolios/risk stages		Gross exposure/nominal value					
		Transfers between first stage and second stage		Transfers between second stage to thirth stage		Transfer between first stage and thirth stage	
		From first to second stage	From second stage to first stage	From second to third stage	From thirth to second stage	From first to thirth stage	From thirth to first stage
1. Financial assets valued at amortized cost		103,959	4,791	15,000	2,944	80,000	4,380
2. Financial assets valued at fair value with an impact on overall profitability		-	-	-	-	-	-
3. Financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		-	-	-	-	-	-
Total	**31/12/2024**	**103,959**	**4,791**	**15,000**	**2,944**	**80,000**	**4,380**
Total	**31/12/2023**	**25,685**	**18,821**	**12,945**	**2,587**	**59,983**	**5,313**

A.1.6 On- and off-balance sheet credit exposures to banks: gross and net values

Type of exposure/amounts	Gross exposures					otal value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
A.1 On demand	127,406	127,406	-	-	-	-	-	-	-	-	127,406	-
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	127,406	127,406	-	X	-	-	-	-	X	-	127,406	-
A.2 Others	70,991	70,991	-	-	-	-	-	-	-	-	70,991	-
a) Bad exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non performing past due	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	70,991	70,991	-	X	-	-	-	-	X	-	70,991	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total (A)	**198,397**	**198,397**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**198,397**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	200	200	-	X	-	-	-	-	X	-	200	-
Total (B)	**200**	**200**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**200**	**-**
Total (A+B)	**198,597**	**198,597**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**198,597**	**-**

A.1.7 On- and off-balance sheet credit exposures to customers: gross and net values

Type of exposure/Amounts	Gross exposures					otal value adjustments and total credit risk provisions					Net Exposure	Total Write-off*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. On-balance sheet credit exposures												
a) Bad exposures	25,731	X	-	25,731	-	21,644	X	-	21,644	-	4,086	-
- of which: forborne exposures	1,721	X	-	1,721	-	1,477	X	-	1,477	-	244	-
b) Unlikely to pay	37,624	X	-	37,624	-	12,361	X	-	12,361	-	25,263	-
- of which: forborne exposures	12,874	X	-	12,874	-	7,427	X	-	7,427	-	5,447	-
c) Non performing past due	113,809	X	-	113,809	-	69,521	X	-	69,521	-	44,289	-
- of which: forborne exposures	13,006	X	-	13,006	-	9,375	X	-	9,375	-	3,630	-
d) Performing past due exposures	81,471	23,168	58,302	X	-	21,555	494	21,061	X	-	59,916	-
- of which: forborne exposures	3,024	-	3,024	X	-	724	-	724	X	-	2,300	-
e) Other performing exposures	6,843,821	6,788,060	55,761	X	-	32,637	29,540	3,097	X	-	6,811,184	-
- of which: forborne exposures	17,270	-	17,270	X	-	1,653	-	1,653	X	-	15,617	-
Total (A)	**7,102,455**	**6,811,228**	**114,064**	**177,164**	**-**	**157,717**	**30,033**	**24,158**	**103,526**	**-**	**6,944,738**	**-**
B. Off-balance sheet credit exposures												
a) Non performing	3	X	-	3	-	-	X	-	-	-	3	-
b) Performing	189,439	189,438	1	X	-	4	4	1	X	-	189,434	-
Total (B)	**189,442**	**189,438**	**1**	**3**	**-**	**4**	**4**	**1**	**-**	**-**	**189,437**	**-**
Total (A+B)	**7,291,897**	**7,000,666**	**114,064**	**177,167**	**-**	**157,722**	**30,037**	**24,158**	**103,526**	**-**	**7,134,175**	**-**

A.1.8 Cash credit exposures to banks: dynamics of gross non-performing loans

The Bank does not have any exposures to banks that are subject to impairment.

A.1.8bis Cash credit exposures to banks: dynamics of gross forborne exposures by credit quality

The Bank does not have any forborne exposures to banks.

A.1.9 Cash credit exposures to customers: dynamics of gross non-performing loans

Description/Category	Bad Exposures	Unlikely to pay	Past due impaired exposures
A. Opening balance (gross amount)	**15,647**	**26,762**	**96,750**
- of which sold non-cancelled exposures	1,330	2,255	12,971
B. Increases	**26,774**	**32,213**	**102,676**
B.1 transfers from performing loans	7,136	22,302	80,970
B.2 entry from impaired financial assets acquired or originated	-	-	-
B.3 transfers from other impaired exposures	19,382	7,603	3,526
B.4 contractual changes without cancellations	-	-	-
B.5 other increases	255	2,308	18,180
C. Decreases	**16,690**	**21,351**	**85,617**
C.1 transfers to perfomorming loans	91	4,448	2,786
C.2 write-offs	14,501	1,095	32,805
C.3 recoveries	670	9,250	18,242
C.4 sales proceeds	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other impaired exposures	-	3,905	26,606
C.7 contractual changes without cancellations	-	-	-
C.8 other decreases	1,429	2,652	5,178
D. Closing balance (gross amounts)	**25,731**	**37,624**	**113,809**
- Sold but not derecognised	3,972	8,046	28,197

A.1.9bis Cash credit exposures to customers: dynamics of gross forborne exposures by credit quality

Description/Quality	Forborne exposures impaired	Forborne exposures not impaired
A. Opening balance (gross amount)	**17,559**	**15,808**
- Sold but not derecognised	2,122	3,160
B. Increases	**24,827**	**18,054**
B.1 Transfers from performing not forborne exposures	10,612	13,867
B.2. Transfers from performing forborne exposures	3,348	X
B.3. Transfers from impaired forborne exposures	X	2,486
B.4 Transfers from impaired not forborne exposure	10,867	1,701
B.5 other increases	-	-
C. Decreases	**14,786**	**13,568**
C.1 Transfers to performing not forborne exposures	X	3,445
C.2 Transfers to performing forborne exposures	2,486	X
C.3 transfers to impaired exposures not forborne	X	3,348
C.4 write-offs	7,656	27
C.5 recoveries	4,152	6,239
C.6 sales proceeds	-	-
C.7 losses on disposals	-	-
C.8 other decreases	491	509
D. Closing balance (gross amounts)	**27,600**	**20,294**
- Sold but not derecognised	7,198	6,445

A.1.10 Cash non-performing credit exposures to banks: dynamics of total write-downs

Exposures to banks are not subject to write-downs.

A.1.11 Cash non-performing credit exposures to customers: dynamics of total write-downs

Description/Category	Bad Exposures		Unlikely to pay		Impaired Past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening balance overall amount of writedowns	**12,824**	**1,778**	**8,536**	**4,427**	**57,308**	**6,202**
- Sold but not derecognised	1,136	266	1,224	506	8,159	676
B. Increases	**34,580**	**3,255**	**11,956**	**7,181**	**83,740**	**13,101**
B.1 impairment losses on acquired or originated assets	-	X	-	X	-	X
B. 2 other value adjustments	23,015	2,711	9,163	6,816	81,918	11,799
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfer from other impaired exposure	11,553	532	2,713	288	1,822	1,302
B. 5 contractual changes without cancellations	-	-	-	-	-	-
B.6 other increases	11	11	80	78	-	-
C. Reductions	**25,759**	**3,556**	**8,131**	**4,181**	**71,527**	**9,927**
C.1 write-backs from assessments	10,567	1,517	2,760	1,989	21,816	3,846
C.2 write-backs from recoveries	93	29	691	76	1,688	191
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	14,966	2,009	2,370	636	33,267	5,239
C.5 transfers to other impaired exposures	-	-	2,038	1,474	14,050	648
C. 6 contractual changes without cancellations	-	-	-	-	-	-
C.7 other decreases	133	1	273	6	705	3
D. Closing overall amount of writedowns	**21,644**	**1,477**	**12,361**	**7,427**	**69,521**	**9,375**
- Sold but not derecognised	3,279	133	3,841	2,582	18,026	1,719

A.2 Classification of financial assets, loan commitments and financial guarantees given on the basis of external and internal ratings

The risk classes for external ratings indicated in this table refer to the credit rating classes of debtors/guarantors pursuant to prudent regulations. The Group uses the standardised approach according to the risk mapping provided by the rating company S&P Global Ratings for exposures to companies and by Fitch Ratings for exposures to central administrations, central banks and supervised intermediaries.

A.2.1 Distribution of financial assets, loan commitments and financial guarantees given by external rating class (gross values)

Exposures	External rating classes						Without rating	Total
	Class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets valued at amortized cost	**37**	**-**	**407**	**-**	**-**	**-**	**7,173,001**	**7,173,446**
- First stage	37	-	407	-	-	-	6,881,774	6,882,218
- Second stage	-	-	-	-	-	-	114,064	114,064
- Third stage	-	-	-	-	-	-	177,164	177,164
- Purchased or originated impaired	-	-	-	-	-	-	-	-
B. Financial assets valued at fair value with impact on overall profitability	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**37**	**-**	**407**	**-**	**-**	**-**	**7,173,001**	**7,173,446**
D. Commitments and financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**	**189,066**	**189,066**
- First stage	-	-	-	-	-	-	189,062	189,062
- Second stage	-	-	-	-	-	-	1	1
- Third stage	-	-	-	-	-	-	3	3
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**189,066**	**189,066**
Total (A+B+C+D)	**37**	**-**	**407**	**-**	**-**	**-**	**7,362,067**	**7,362,511**

The related ECAI tables for reconciliation between ratings and creditworthiness classes for the respective durations are provided below:

Credit rating	Long-term ECAI	
	Fitch Ratings	S&P Global Ratings
	Central Administrations and central banks	Company and other entities
1	from AAA to AA-	from AAA to AA-
2	from A+ to A-	from A+ to A-
3	from BBB+ to BBB-	from BBB+ to BBB-
4	from BB+ to BB-	from BB+ to BB-
5	from B+ to B-	from B+ to B-
6	CCC+ and lower	CCC+ and lower

Credit rating	Short-term ECAI	
	Fitch Ratings	S&P Global Ratings
	Central Administrations and central banks	Company and other entities
1	N/a	A-1+, A-1
2	N/a	A-2
3	N/a	A-3
from 4 to 6	N/a	lower A-3

A.2.2 Distribution of financial assets, loan commitments and financial guarantees given by internal rating class (gross values)

This table has not been prepared because the internal ratings are not currently used in the calculation of capital requirements for the management of credit risk.

A.3 Distribution of guaranteed credit exposures by type of guarantee

A.3.1 On- and off-balance sheet guaranteed credit exposures to banks

The Bank has no guaranteed credit exposures to banks.

A.3.2 On- and off-balance sheet guaranteed credit exposures to customers

	Gross exposure	Net exposures	Collaterals (1)				Guarantees (2)	
							Credit derivatives	
								Other derivatives
			Property, Mortgages	Property - Lease loans	Securities	Other assets	CLN	Central counterparties
1. Guaranteed cash loans:	**225,045**	**221,010**	**-**	**-**	**-**	**165,025**	**-**	**-**
1.1 totally secured	191,394	187,687	-	-	-	145,062	-	-
- of which: impaired	4,329	1,495	-	-	-	1,092	-	-
1.2 partially secured	33,651	33,323	-	-	-	19,964	-	-
- of which: impaired	302	95	-	-	-	95	-	-
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

	Guarantees (2)							Total (1)+(2)
	Credit derivatives			Signature loans				
	Other derivatives							
	Banks	Other financial companies	Other entities	public administrations	Banks	Other financial companies	Other entities	
1. Guaranteed cash loans:	**-**	**-**	**-**	**-**	**195**	**-**	**43,926**	**209,147**
1.1 totally secured	-	-	-	-	-	-	42,625	187,687
- of which: impaired	-	-	-	-	-	-	403	1,495
1.2 partially secured	-	-	-	-	195	-	1,301	21,460
- of which: impaired	-	-	-	-	-	-	-	95
2. Off-balance-sheet credit exposures guaranteed:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally secured	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-
2.2. partially guaranteed	-	-	-	-	-	-	-	-
- of which: impaired	-	-	-	-	-	-	-	-

A.4 Financial and non-financial assets obtained through the enforcement of guarantees received

The Bank does not have any financial assets obtained through the enforcement of guarantees.

B. Distribution and concentration of credit exposures

B.1 Distribution by sector of on- and off-balance sheet credit exposures to customers

Exposures/Counterparts	Public administration		Financial companies		Financial companies(of which: insurance companies)		Non-financial companies		Families	
	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures										
A.1 Bad Exposures	-	-	13	82	-	-	373	2,201	3,700	19,361
- of wich: forborne exposures	-	-	-	-	-	-	19	114	225	1,363
A.2 Unlikely to pay	1,226	138	5	7	-	-	1,145	689	22,887	11,527
- of wich: forborne exposures	-	-	5	7	-	-	133	168	5,310	7,252
A.3 Impaired past due exposures	2,253	372	23	41	3	-	4,592	4,502	37,420	64,605
- of wich: forborne exposures	-	-	-	-	-	-	114	241	3,516	9,134
A.4 Not impaired exposures	302,454	-	34,956	33	2	-	700,867	1,966	5,832,823	52,191
- of wich: forborne exposures	-	-	34	1	-	-	577	30	17,305	2,346
Total (A)	**305,933**	**511**	**34,997**	**164**	**5**	**-**	**706,978**	**9,359**	**5,896,830**	**147,684**
B. Off-balance sheet credit exposures										
B.1 Deteriorated exposures	-	-	-	-	-	-	-	-	3	-
B.2 Non-deteriored exposures	576	-	353	-	-	-	186,469	-	2,035	4
Total (B)	**576**	**-**	**353**	**-**	**-**	**-**	**186,469**	**-**	**2,039**	**4**
Totale (A+B) 31/12/2024	**306,509**	**511**	**35,350**	**164**	**5**	**-**	**893,447**	**9,359**	**5,898,869**	**147,688**
Totale (A+B) 31/12/2023	**355,505**	**491**	**61,700**	**181**	**5**	**-**	**590,293**	**7,954**	**5,759,128**	**112,299**

B.2 Territorial distribution of on- and off-balance sheet credit exposures to customers

Exposures / Geographic area	North West Italy		North East Italy		Italian Centre		South Italy and Islands	
	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs	Net exposure	Total write-downs
A. Balance sheet credit exposures								
A.1 Bad Exposures	1,013	5,456	545	2,742	667	3,466	1,862	9,981
A.2 Unlikely to pay	5,598	3,487	2,263	1,316	3,968	2,480	13,423	5,059
A.3 Impaired past due exposures	11,857	19,690	5,926	9,994	8,330	13,199	18,175	26,637
A.4 Not impaired exposures	1,965,482	15,301	1,161,476	8,229	1,654,200	11,577	2,089,882	19,083
Total (A)	**1,983,951**	**43,934**	**1,170,209**	**22,282**	**1,667,165**	**30,722**	**2,123,341**	**60,760**
B. Off-balance sheet credit exposures								
B. 1 Non-performing exposures	-	-	1	-	2	-	1	-
B. 2 Performing exposures	167,667	4	1,542	-	18,999	-	1,226	1
Total (B)	**167,667**	**4**	**1,543**	**-**	**19,000**	**-**	**1,227**	**1**
Total (A+B) 31/12/2024	**2,151,618**	**43,938**	**1,171,752**	**22,282**	**1,686,165**	**30,722**	**2,124,568**	**60,760**
Total (A+B) 31/12/2023	**2,041,046**	**32,523**	**1,013,807**	**16,594**	**1,671,420**	**22,630**	**2,040,286**	**49,177**

B.3 Territorial distribution of on- and off-balance sheet credit exposures to banks

Exposures / Geographical Area	Italy		Other european countries		United States		Asia		Rest of the world	
	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs	Net exposures	Total write-downs
A. Balance sheet credit exposures										
A.1 Bad Exposures	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Not impaired exposures	197,728	-	669	-	-	-	-	-	-	-
Total (A)	**197,728**	**-**	**669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures										
B.1 Deteriored exposures	-	-	-	-	-	-	-	-	-	-
B.2 Non-deteriored exposures	200	-	-	-	-	-	-	-	-	-
Total (B)	**200**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31/12/2024	**197,928**	**-**	**669**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31/12/2023	**223,221**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B.4 Large exposures

	31/12/2024
Number	4
Weighted value	948,942
Book value	1,763,623

At the balance sheet date there were four counterparties that could be classified as large exposures:

- Banco Santander S.A.;
- Ministry of the Economy and Finance (MEF);
- Bank of Italy;
- SAIC Motor Italy S.r.l.

C. Securitisation transactions

Qualitative information

Strategy and characteristics of securitisation transactions

The Bank carries out securitisation transactions in order to broaden the diversification of funds collected by optimising the cost of the same.

In this context, the roles covered are usually the following:

- Santander Consumer Bank: Originator, Seller and Servicer;
- Golden Bar (Securitisation) S.r.l.: Issuer.

The transactions may have a revolving structure, if the possibility of transferring additional portfolios is provided for, or an amortising structure, if this option has not been contractually provided for. Consequently, the collections deriving from the securitised loans are used to finance the purchase of additional loans during the revolving period or to repay the securities in the amortising period.

The senior classes usually have a dual rating in order to be eligible for transactions at the Central Bank.

Securitisation transactions

In addition to the existing transaction, in 2024, a securitisation transaction with the placement of securities with third-party investors was finalised.

Golden Bar 2024-1

The Golden Bar 2024-1 transaction, with a value of Euro 1,010 million and legal maturity in 2043, was concluded through the sale at par value of a portfolio of performing loans, made up of car loans originating from Santander Consumer Bank and personal loans, to the special purpose vehicle Golden Bar (Securitisation) S.r.l..

This securitisation, which envisages a 3-month revolving structure, was structured in compliance with the requirements of STS (Simple Transparent Standardised) securitisations.

The purchase of the receivables by the vehicle company was financed through the issue of five classes of securities, summarised below:

- Class A senior securities for Euro 820 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement; these classes also obtained eligibility care of the ECB;
- Class B mezzanine securities for Euro 75 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class C mezzanine securities for Euro 105 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class D mezzanine securities for Euro 10 million, listed on the Luxembourg Stock Exchange and fully subscribed by institutional investors through a private placement;
- Class Z junior securities of Euro 30 million, without rating and fully subscribed by the Originator.

The interest rate of the Senior securities was fixed at a level equal to the Euribor 3 month plus a spread of 83 bps (with a zero-coupon floor).

Within the scope of the same transaction, the special purpose vehicle concluded an Interest Rate Swap to hedge the interest rate risk of the Senior class and of the B and C classes.

Through the sale of the A-E notes to third parties, the Bank was able to obtain the SRT (Significant Risk Transfer) of the securitised portfolio, benefiting from a saving of RWAs. However, it should be noted that, despite the transfer of the portfolio risk, the Bank has assessed the non-derecognition in the accounts of the assets and, therefore, the assets are maintained in the financial statements of the Originator.

In particular, the SRT must be constantly monitored also during the duration of the transaction, in order to verify that the criteria envisaged by the regulations are observed, including the maintenance on a continuous basis of a significant net economic interest (risk retention) in the securitisation of no less than 5%. In the structure perfected by the Bank, the risk retention obligation is satisfied by the originator by maintaining randomly selected exposures, equivalent to a percentage of no less than 5% of the face value of the securitised exposures, when such non-securitised exposures would have otherwise been securitised in the securitisation transaction, pursuant to article 6(3)(c) of EU Regulation no. 2402/2017 (Random selection).

Transactions closed during the year

During 2024, the Golden Bar 2019-1 transaction was ended as a result of the Originator Company exercising its right to repurchase (so-called "clean-up call") the portfolio.

Transactions outstanding as at the reporting date

With regard to securitised financial assets, as of the end of 2024, the Bank has four performing transactions (Golden Bar 2021-1, Golden Bar 2023-1, Golden Bar 2023-2 and Golden Bar 2024-1) outstanding as a result of the above.

	Assets held by the SPE	Senior and Mezzanine Securities subscribed	Junior Securities subscribed	Cash Reserve	Assets held by the Group	Type of collateral	Distribution of collateral by geographical area	Average maturity of the collateral	Rating of the collateral
Golden Bar 2021-1	189.614	195.882	100	5.000	6.944.738	n.a.	n.a.	n.a.	n.a.
Golden Bar 2023-1	588.663	450.000	158.109	7.615		n.a.	n.a.	n.a.	n.a.
Golden Bar 2023-2	972.690	1.000.000	100	14.023		n.a.	n.a.	n.a.	n.a.
Golden Bar 2024-1	968.332	1.001.795	30	10.016		n.a.	n.a.	n.a.	n.a.

Consequently, in accordance with international accounting standards, these securitised portfolios have not been derecognised as there were not the requisites for derecognition.

The 2021-1 Golden Bar transaction continued to repay the non-Junior classes. In addition, the repayment of class F of the Golden Bar 2023-2 took place.

To enhance the clarity of disclosures, below is a breakdown of the excess spread accrued within the scope of the transaction in place, into the various components that generated it.

Breakdown of the excess spread accrued during the year	Golden Bar 2019-1	Golden Bar 2021-1	Golden Bar 2023-1	Golden Bar 2023-2	Golden Bar 2024-1
Interest expense on securities issued	(3,646)	(11,164)	(26,471)	(56,279)	(12,447)
Commisions and fees for the operation	(131)	(442)	(785)	(1,204)	(442)
- for servicing	(107)	(401)	(755)	(1,168)	(412)
- for other services	(24)	(41)	(30)	(36)	(30)
Other charges	(1,246)	(12,047)	(14,687)	(5,569)	(8,792)
Interest generated by the securitised assets	1,635	15,102	49,875	66,908	25,892
Other revenues	8,689	16,422	7,870	12,219	3,859
Total	**5,301**	**7,871**	**15,802**	**16,075**	**8,070**

Quantitative information

C.1 Exposures arising from the main "proprietary" securitisation transactions broken down by type of securitised asset and by type of exposure

Type of securitized assets / Exposures	Cash exposure						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries	Book value	Adjustments/Recoveries
A. Derecognised in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Derecognised in part	- €	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Not derecognised	- €	-	-	-	**138,663**	**(3,513)**	-	-	-	-	-	-	-	-	-	-	-	-
Golden Bar 2023-1	0	0			138,663	(3,513)												

C.2 Exposures arising from the main "third-party" securitisation transactions broken down by type of securitised asset and by type of exposure

The Bank does not have any "third-party" securitisation transactions.

C.3 Special purpose vehicles (SPVs) created for securitisation

Securitization name - Company name	Head office	Consolidation	Assets			Liabilities		
			Credits	Debt securities	Others	Senior	Mezzanine	Junior
Golden Bar 2021-1	Turin (Italy)	NO	189,614	-	36,572	176,882	19,001.00	100
Golden Bar 2023-1	Turin (Italy)	NO	588,663	-	36,532	450,000	0	158,109
Golden Bar 2023-2	Turin (Italy)	NO	972,690	-	54,961	830,000	170,000	100
Golden Bar 2024-1	Turin (Italy)	NO	968,332	-	48,070	820,000	181,795	30

C.4 Non-consolidated special purpose vehicles (SPVs) created for securitisation

The information provided in this section is not provided by the banks preparing the consolidated accounts.

C.5 Servicer activities - own securitisations: collections of securitised loans and repayments of securities issued by the special purpose vehicle for securitisation

The Bank does not carry out servicer activities on securitisation transactions relating to the divested business removed from the financial statements.

D. Information on unconsolidated structured entities (other than special purpose vehicles created for securitisations)

The Bank does not have any positions with unconsolidated structured entities.

E. Disposal transactions

A. Financial assets sold but not derecognised

Qualitative information

With regard to the description of the transactions of tables E.1, E.2 and E.3, please refer to the matters reported at the bottom of the tables themselves.

Quantitative information

E.1 Financial assets sold and fully booked, and associated financial liabilities: book values

	Financial assets sold as a whole				Associated financial liabilities		
	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement	of which Non-performing	Book value	of which: subject to securitization transactions	of which: subject to sale contracts with repurchase agreement
A. Financial assets held for trading	-	-	-	X	-	-	-
1. Debt securities	-	-	-	X	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily at fair value	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	2,719,299	2,719,299	-	15,068	2,648,455	2,648,455	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	2,719,299	2,719,299	-	15,068	2,648,455	2,648,455	-
Total 31/12/2024	2,719,299	2,719,299	-	15,068	2,648,455	2,648,455	-
Total 31/12/2023	1,948,168	1,948,168	-	6,036	1,881,378	1,881,378	-

Financial assets measured at amortised cost pertain to securitisation transactions with securities subscribed by traditional third-party investors (Golden Bar 2023-1) and with derecognition for solely prudent purposes (Golden Bar 2019-1, Golden Bar 2021-1, Golden Bar 2023-2, Golden Bar 2024-1).

E.2 Financial assets sold and partially booked, and associated financial liabilities: book values

This is not applicable to the Bank.

E.3 Transfers with liabilities that have recourse only against the assets sold and not fully derecognised: fair value

	Fully booked	Partially booked	Total	
			31/12/2024	31/12/2023
A. Financial assets held for trading	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. Other financial assets that are duly measured at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. Financial assets measured at fair value with an impact on overall profitability	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
E. Financial assets measured at amortized cost (fair value)	**2,617,535**	**-**	**2,617,535**	**1,832,920**
1. Debt securities	-	-	-	-
2. Loans	2,617,535	-	2,617,535	1,832,920
Total financial assets	**2,617,535**	**-**	**2,617,535**	**1,832,920**
Total associated financial liabilities	**2,643,909**	**-**	**X**	**X**
Valore netto 31/12/2024	**(26,374)**	**-**	**(26,374)**	**X**
Valore netto 31/12/2023	**46,876**	**-**	**X**	**(46,876)**

B. Financial assets sold and fully derecognised with recognition of continued involvement

This section is not applicable to sales made by the Bank in the course of the year.

C. Financial assets sold and fully derecognised

The Bank has not carried out any full derecognition transactions.

D. Covered bond transactions

The Bank has not carried out any covered bond transactions.

F. Models for the measurement of credit risk

The balance at risk by product of the "dossiers in delinquency" (i.e. that have amounts past due by more than ninety days) is monitored on a monthly basis. The procedure and the related control were carried out regularly.

Please refer to Section 2E Prudential consolidation - Models for the measurement of credit risk in the Consolidated Financial Statements for further information on the method used.

Section 2 – Market risk

2.1 Interest rate risk and price risk - trading portfolio reported for supervisory purposes

The Bank does not hold any trading portfolios reported for supervisory purposes.

2.2 Interest rate risk and price risk – banking book

Qualitative information

Qualitative information on the measurement of financial risks generated by the Bank is illustrated in Part E of the Notes to the consolidated financial statements.

Quantitative information

1. Banking book: distribution by residual term (repricing date) of financial assets and liabilities

This table is not prepared as the next section gives an analysis of the sensitivity to interest rate risk based on internal models and this analysis covers the whole of the banking book.

2. Banking book: internal models and other methodologies for analysing sensitivity

The measurement/quantification of financial risks, especially the interest rate risk, is carried out by analysing the specific synthetic indicators described below. These indicators are calculated on a monthly basis, which involves calculating a final figure on the report at the end of each month, as well as a forecast figure for the next reporting period. The Risk Control Department of Santander Consumer Bank is responsible for preparing and maintaining adequate, uniform and timely reporting for the monitoring of interest rate risk, formalised through specific indicators.

Sensitivity indicator "Market Value of Equity" (MVE)

This indicator is aimed at quantifying the sensitivity of the interest rate risk so that it can be monitored; in particular, it quantifies the effect of a change in the interest rate curve under various scenarios on shareholders' equity. With the implementation of the corporate tool, in addition to the standard management scenarios at +/-100bps of parallel shocks of the curve, all the scenarios required by the EBA were implemented. The following paragraph shows the results obtained by applying the scenario +/-100 basis points (parallel and intermediate shock) on which the monthly analysis and the decisions on interest rate risk are based. The measurement of interest rate risk is then carried out by assessing the impact of changes in interest rates on the value of interest-bearing assets/liabilities inclusive of derivatives (Interest Rate Swaps); the sensitivity of the Market Value of Equity is computed as the difference between the present value of all future cash flows discounted using market interest rate curves and the present value of future cash flows discounted using stressed interest rate curves.

As at 31 December 2024, the MVE sensitivity calculated with parallel and immediate shifts of +/- 100 basis points is shown in the table below. The indicator remained within the thresholds approved by the Board of Directors.

Sensitivity indicator "Net Interest Margin" (NIM)

This indicator is aimed at quantifying and monitoring the sensitivity of the interest rate risk; in particular, it quantifies the effect of a parallel and symmetric change in the interest rate curve under various scenarios on net interest income (analysis period: 12 months). As regards interest rate shift scenarios, please see the information provided in the paragraph above.

As at 31 December 2024, the NIM sensitivity calculated with parallel and immediate shifts of +/- 100 basis points is shown in the table below. The indicator remained within the thresholds approved by the Board of Directors.

+100 bps MM	MVE	NIM
Sensitivity	-20,66	-6,08
Limite	55	20,7

-100 bps MM	MVE	NIM
Sensitivity	21,32	4,6
Limite	55	20,7

2.3 Exchange rate risk

The Bank is not exposed to exchange rate risk.

Section 3 – Derivative instruments and hedging policies

3.1 Derivatives held for trading

A. Financial derivatives

A.1 Financial derivatives held for trading: period-end notional amounts

Underlying assets / Type of derivatives	Totale 31/12/2024				Totale 31/12/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	-	5,417,526	-	-	-	3,738,321	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	5,417,526	-	-	-	3,738,321	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	-	5,417,526	-	-	-	3,738,321	-

A.2 Financial derivatives held for trading: positive and negative gross fair value – breakdown by product

Types of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	Without central counterparties			Central Counterparts	Without central counterparties		
		With clearing arrangements	Without clearing arrangements			With clearing arrangements	Without clearing arrangements	
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	40,171	-	-	-	46,781	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**40,171**	**-**	**-**	**-**	**46,781**	**-**
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	41,280	-	-	-	47,472	-
c) Cross currency swap	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**41,280**	**-**	**-**	**-**	**47,472**	**-**

A.3 OTC financial derivatives held for trading: notional amounts, positive and negative gross fair value by counterparty

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	5,417,526	-	-
- positive fair value	X	40,171	-	-
- negative fair value	X	41,280	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equities and stock indexes	-			
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold	-			
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities	-			
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives held for trading: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		2,045,386	3,065,850	306,291	5,417,526
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivatives on currencies and gold		-	-	-	-
A.4 Financial derivatives on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	31/12/2024	2,045,386	3,065,850	306,291	5,417,526
Total	31/12/2023	527,340	3,198,362	12,618	3,738,321

B. Credit derivatives

The Bank does not have any credit derivatives at the date of the financial statements.

3.2 Accounting hedges

Qualitative information

Qualitative information on the measurement of accounting hedges by the Bank is illustrated in Part E of the Notes to the consolidated financial statements.

Quantitative information

A. Hedging financial derivatives

A.1 Hedging derivatives: period-end notional amounts

Underlying assets / Type of derivatives	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organized markets	Over the counter			Organized markets
	Central Counterparts	without central counterparties			Central Counterparts	without central counterparties		
		with clearing arrangements	without clearing arrangements			with clearing arrangements	without clearing arrangements	
1. Debt securities and interest rate	-	-	3,528,952	-	-	-	3,639,187	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	3,528,952	-	-	-	3,639,187	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
2. Equities and stock indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swap	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-
4. Goods	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**3,528,952**	**-**	**-**	**-**	**3,639,187**	**-**

A.2 Hedging derivatives: positive and negative gross fair value – breakdown by product

Types of derivatives	Positive and negative fair value – Total 31/12/2024 – Over the counter – Central Counterparts	Total 31/12/2024 – Over the counter – Without central counterparties – With clearing arrangements	Total 31/12/2024 – Over the counter – Without central counterparties – Without clearing arrangements	Total 31/12/2024 – Organized markets	Total 31/12/2023 – Over the counter – Central Counterparts	Total 31/12/2023 – Over the counter – Without central counterparties – With clearing arrangements	Total 31/12/2023 – Over the counter – Without central counterparties – Without clearing arrangements	Total 31/12/2023 – Organized markets	Changes in value used to calculate hedge ineffectiveness – Total 31/12/2024	Changes in value used to calculate hedge ineffectiveness – Total 31/12/2023
Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	8,827	-	-	-	78,897	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**8,827**	**-**	**-**	**-**	**78,897**	**-**	**-**	**-**
Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swap	-	-	32,592	-	-	-	16,166	-	-	-
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swap	-	-	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**32,592**	**-**	**-**	**-**	**16,166**	**-**	**-**	**-**

A.3 OTC hedging derivatives: notional amounts, positive and negative fair value by counterparty

Underlyings	Central Counterparts	Banks	Other financial companies	Other entities
Contracts not included in clearing agreement				
1) Debt securities and interest rate				
- notional value	X	3,528,952	-	-
- positive fair value	X	8,827	-	-
- negative fair value	X	32,592	-	-
2) Equities and stock indexes				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Currencies and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Others				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in clearing arrangements				
1) Debt securities and interest rate				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equities and stock indexes				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Others				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC hedging derivatives: notional amounts

Underlying / residual		Up to 1 year	Over 1 year up to 5 year	Over 5 year	Total
A.1 Financial derivative contracts on debt securities and interest rates		1,247,604	2,088,630	192,718	3,528,952
A.2 Financial derivative contracts on equity securities and stock indexes		-	-	-	-
A.3 Financial derivative contracts on currency and gold		-	-	-	-
A.3 Financial derivative on goods		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	**31/12/2024**	**1,247,604**	**2,088,630**	**192,718**	**3,528,952**
Total	**31/12/2023**	**1,482,139**	**1,984,228**	**172,820**	**3,639,187**

B. Hedging credit derivatives

The Bank does not have any credit derivatives at the date of the financial statements.

C. Non-derivative hedging instruments

The Bank does not have any non-derivative hedging instruments at the date of the financial statements.

D. Hedged instruments

D.1 Fair value hedges

The Bank has not applied the new accounting rules provided for hedge accounting in accordance with IFRS 9.

D.2 Cash flow and foreign investment hedges

The Bank does not have any cash flow and foreign investment hedges.

E. Effects of hedging transactions recognised in shareholders' equity

The Bank does not use hedging transactions recognised in shareholders' equity.

3.3 Other information on trading and hedging derivatives

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair value by counterparty

	Central counterparty	Banks	Other financial companies	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional amount	-	8,946,478	-	-
- positive fair value	-	40,171	-	-
- negative fair value	-	41,280	-	-
2) Equity instrument and stock index				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currency and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Goods				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
B. Credit derivatives				
1) Hedge purchase				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Hedge sale				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

Section 4 – Liquidity risk

Qualitative information

For qualitative information, please refer to Part E of the Notes to the consolidated financial statements

Quantitative information

1. Distribution of financial assets and liabilities by residual maturity

Items/Time	On demand	1 to 7 days	7 to 15 days	15 days to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Unspecified maturity
A. On-balance sheet assets	**224,440**	**625**	**92,662**	**21,839**	**396,846**	**525,141**	**1,278,838**	**3,574,137**	**1,029,511**	**13,138**
A.1 Government securities	463	-	875	-	51,741	1,125	203,353	50,875	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units in investment funds	-	-	-	-	-	-	-	-	-	-
A.4 Loans	223,977	625	91,787	21,839	345,106	524,016	1,075,486	3,523,262	1,029,511	13,138
- Banks	128,637	21	-	735	159	879	1,797	11,000	45,000	13,138
- Customers	95,341	604	91,787	21,104	344,947	523,137	1,073,689	3,512,262	984,511	-
B. On-balance sheet liabilities	**804,059**	**8,664**	**8,242**	**71,210**	**137,730**	**352,133**	**895,878**	**4,183,629**	**141,935**	**-**
B.1 Deposits and current accounts	793,397	8,509	8,242	16,491	51,981	136,126	335,083	2,679,005	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	793,397	8,509	8,242	16,491	51,981	136,126	335,083	2,679,005	-	-
B.2 Debt securities	-	-	-	-	-	-	55,000	710,000	-	-
B.3 Other liabilities	10,662	155	-	54,720	85,749	216,007	505,794	794,624	141,935	-
C. Off-balance sheet transactions										
C.1 Physically settled financial derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Cash settled financial derivatives										
- Long positions	-	-	-	1,797	5,205	8,571	14,622	-	-	-
- Short positions	-	-	-	199	3,466	5,453	9,369	-	-	-
C.3 Deposit to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Written guarantees	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Physically settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Cash settled credit derivatives										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

With reference to the financial assets subject to "self-securitisation", the related details are provided below.

Transactions closed during the year

During 2024, the Golden Bar 2020-1 transaction was ended through the buyback of the loan portfolio by the Originator Company.

Transactions outstanding as at the reporting date

At the end of 2024, the Bank had one performing transaction in place.

Transaction	12/31/2024				
	Class	ISIN Code	Rating Moody's / DBRS	Activities	Outstanding al 31/12
Golden Bar 2022-1	A	IT0005495921	Aa3/AAL	Salary assignment, retirement assignment and delegation of payment.	436,499,318
	B	IT0005495939	A3/AH		30,225,282
	Z	IT0005495947	NR/NR		30,225,282

Consequently, in accordance with international accounting standards, these securitised portfolios have not been derecognised as there were not the requisites for derecognition.

Section 5 – Operational risks

Qualitative information

For qualitative information, including legal risks and tax disputes, please refer to Part E of the Notes to the consolidated financial statements.

Quantitative information

Theoretical unexpected losses, determined by applying the standard method (STA), amount to Euro 24 million.

Losses recorded during the year (Source: EDB-Events Database), on the other hand, are shown as follows:

Risk Type	Net Losses	Net Provisions	Addition, uses and recoveries	Net Op. Risk Impact
Internal Fraud				
External Fraud	1,292		- 273	1,018
Employment, pratises & Workplace Safety				
Clients, Products & Business Practices	3,107	1,303	- 78	4,332
Damage to physical Assets				
Business Disruption & System Failures	6,696			6,696
Execution, Delivery & Process Management	12		- 84	- 73
TOTAL	**11,107**	**1,303**	**- 436**	**11,974**

The item interruption of operations and unavailability of the systems refers to an IT incident, which occurred in February 2024.

Part F – Information on shareholders' equity

Section 1 – Shareholders' equity

A. Qualitative information

For qualitative information on shareholders' equity and the corresponding management policies, please refer to Part E of the Notes to the consolidated financial statements.

B. Quantitative information

B.1 Shareholders' equity: breakdown

Captions/Amounts	Amount 31/12/2024	Amount 31/12/2023
1. Capital	573,000	573,000
2. Emission Fees	633	633
3. Reserves	394,946	352,082
- useful	355,033	312,169
a) legal	36,772	34,629
b) statutory	-	-
c) treasury shares	-	-
d) other	318,261	277,540
- other	39,913	39,913
4. Capital Instruments	-	-
5. (Own shares)	-	-
6. Valuation reserves:	(626)	(659)
- Titoli di capitale designati al fair value con impatto sulla redditività complessiva	-	-
- Hedges of equity securities designated at fair value with an impact on the overall profitability	-	-
- Financial assets (different from capital securities) measured at fair value with an impact on overall profitability	-	(59)
- Tangible assets	-	-
- Intangible assets	-	-
- Foreign investment coverage	-	-
- Financial flow cover	-	-
- Hedging instruments [Unspecified Elements]	-	-
- Exchange differences	-	-
- Non-current assets and groups of assets held for sale	-	-
- Financial liabilities designated at fair value with impact on the income statement (changes in their creditworthiness)	-	-
- actuarial gains (losses) on defined benefit plans	(626)	(601)
- Units of valuation reserves of investments valued at equity	-	-
- Special revaluation laws	-	-
7. Profit (loss) for the year	28,866	42,864
Total	**996,818**	**967,919**

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/values	Total 31/12/2024		Total 31/12/2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	-	-	-	59
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
Total	**-**	**-**	**-**	**59**

B.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: change in the year

	Debt securities	Equity securities	Loans
1. Opening balance	(59)	-	-
2. Positive changes	59	-	-
2.1 Fair value increases	59	-	-
2.2 Value adjustments for credit risk	-	X	-
2.3 Transfer to the income statement of negative reserves to be realized	-	X	-
2.4 Transfers to other equity (capital securities)	-	-	-
2.5 Other changes	-	-	-
- di cui operazioni di aggregazione aziendale	-	-	-
3. Negative changes	-	-	-
3.1 Fair value reductions	-	-	-
3.2 Write-backs for credit risk	-	-	-
3.3 Reclassification throught profit or loss of positive reserves: - following disposal	-	X	-
3.4 Transfers to other equity (capital securities)	-	-	-
3.5 Other changes	-	-	-
- di cui operazioni di aggregazione aziendale	-	-	-
4. Closing balance	**-**	**-**	**-**

B.4 Valuation reserves related to defined-benefit pension plans: change in the year

The valuation reserve amounts to Euro 626 thousand.

During the year there was an increase in valuation reserves related to defined-benefit pension plans for an amount equal to Euro 26 thousand net of the corresponding tax effect.

Section 2 – Own funds and capital adequacy ratios

The entity is not required to prepare the disclosure to the public (Third Pillar) as this is the responsibility of the Spanish Parent Company.

In light of this peculiarity, the related disclosure is provided in the following tables.

Own funds

Santander Consumer Bank Own Funds	Total	
	31/12/2024	31/12/2023
A. Capital primary Class 1 (Common Equity Tier 1 - CET1) before application of prudential filters	**965,560**	**954,422**
of which CET1 instruments subject to transitional provisions		
B. Prudential filters CET1 (+/-)		**(42)**
C. CET1 before items to be deducted and the effects of the transitional arrangements (A +/- B)	**965,560**	**954,380**
D. Deductions from CET1	**8,955**	**6,161**
E. Transitional regime - Impact on CET1 (+/-)		
F. Total Capital primary Class 1 (Common Equity Tier 1 - CET1) (C - D +/- E)	**956,605**	**948,219**
G. Additional Tier 1 Capital (Additional Tier 1 - AT1) before items to be deducted and the effects of the transitional arrangements		
of which AT1 instruments subject to transitional provisions		
H. Deductions from AT1		
I. Transitional regime - Impact on AT1 (+/-),		
L. Total Capital Additional Tier 1 (Additional Tier 1 - AT1) (G - H +/- I)		
M. Capital Class 2 (Tier 2 -T2) before items to be deducted and the effects of the transitional arrangements	**144,655**	**145,000**
of which T2 instruments subject to transitional provisions		
N. Deductions from T2		
O. Transitional regime - Impact on T2 (+/-)		
P. Total Share of Class 2 (Tier 2 -T2) (M - N +/- O)	**144,655**	**145,000**
Q. Total own funds (F + L + P)	**1,101,260**	**1,093,219**

Common Equity Tier 1 is composed of the book value of shareholders' equity, net of the profit, with the following adjustments:

- deduction of intangible assets exceeding the weighting rules for Euro 734 thousand;
- deduction of positions towards STS securitisations for Euro 6,891 thousand;
- deduction of minor accounting write-downs compared to the Calendar Provisioning forecasts for Euro 1,329 thousand;
- deduction of deferred tax assets that are based on future profitability and do not derive from timing differences net of associated tax liabilities for Euro 2,392 thousand.

Tier 2 capital consists of the instruments issued and considered eligible. These instruments are calculated on the basis of the time criterion envisaged by regulations.

Supervisory ratios

Value	Non weighted assets		Weighted assets	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. RISK ASSETS				
A.1 Credit and counterparty risk	5,878,789	6,249,049	3,862,963	4,076,546
1. Standardized approach	5,878,789	6,249,049	3,862,963	4,076,546
2. IRB approach				
2.1 Foundation				
2.2 Advanced				
3. Securitizations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			309,037	326,124
B.2 Risk valuation adjustment credit				
B.3 Regulation Risk				
B.4 Market Risk				
1. Standardized approach				
2. Internal models				
3. Concentration risk				
B.5 Operational risk			23,930	26,813
1. Basic indicator approach (BIA)				
2. Traditional standardized approach (TSA)			23,930	26,813
3. Advanced measurement approach (AMA)				
B.6 Other calculation elements				
B.7 Total capital requirements			332,967	352,937
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Weighted risk assets			4,162,088	4,411,712
C.2 Capital primary class1 / Risk			22.98%	21.49%
C.3 Capital Class 1 / Risk-weighted assets (Total capital ratio)			22.98%	21.49%
C.4 Total own funds / Risk-weighted assets (Total capital ratio)			26.46%	24.78%

Part G – Business combinations

Section 1 – Transactions carried out during the year

The Bank has not realised any business combinations involving companies or lines of business during the year.

Section 2 – Transactions subsequent to the year end

The Bank has not realised any business combinations involving companies or lines of business after the end of the year.

Section 3 – Retrospective adjustments

The Bank has not made any retrospective adjustments.

Part H – Related party transactions

As laid down by EU Regulation no. 632/2010 of the Commission dated 19 July 2010, the text of IAS 24 defines the concept of related party and identifies the relationship between this one and the entity that draws up the financial statements.

Pursuant to these notions, related parties include:

- the significant shareholders as well as their subsidiaries, including those jointly controlled, and their associates;
- the executives with strategic responsibilities;
- close family members of shareholders and executives with strategic responsibilities and subsidiaries, including those jointly controlled, by the latter or their close relatives.

For the purposes of the management of transactions with related parties, reference is made to the rules defined by CONSOB Regulation no. 17221/2010 (deriving from the provisions of article 2391-bis of the Italian Civil Code) and the matters introduced in 2011 by Title V, Chapter 5 of the Bank's Circular no. 263/2006, as well as the provisions pursuant to article 136 of Italian Legislative Decree no. 385/1993. In this context, Santander Consumer Bank adopted the "Regulation for transactions with related parties" for the management of transactions with parties in conflict of interest, aimed at establishing preliminary and decision-making rules with regard to transactions carried out with related parties and to regulate the procedures for fulfilling the disclosure obligations vis-à-vis stakeholders.

1. Information on the remuneration of managers with strategic responsibilities

	Management and Control bodies	Other Manager	Total
Short-term benefits	457	2,315	2,772
Post-employment benefits			
Other long-term benefits			
Termination indemnities			
Share-based payments		-	-
Total	**457**	**2,315**	**2,772**

2. Related party disclosures

	Banco Santander	Santander Consumer Finance	Stellantis Financial Services S.p.A.	TimFin S.p.A.	Santander Consumer Renting S.r.l.	Drive S.r.l.	Other Santander Group companies
A10. Cash and cas balances	68						
A20. Financial assets designated at fair value through profit or loss							
A20a). Financial assets held for trading	40.171						
A40. Financial assets measured at amortised cost							
A40a) Loans and advances to banks	665		56.591				
A40b) Loans and advances to costumers					119.041	70.508	
A50. Hedging derivatives	8.827						
A70. Equity investments			292.940	38.250	8.500	6.000	
A90. Intangible assets							303
A120. Other assets			305	3.239	1.276	1.080	8.350
L10. Financial liabilities valued at amortised cost							
L10) Deposits from banks	(9.490)	(1.737.387)					
L10b) Deposits from costumers					(76)	(71)	(11.999)
L10c) Debt securities in issue		(769.918)					
L20. Financial liabilities held for trading	(41.280)						
L40. Derivati di copertura	(32.592)						
L80. Other liabilities	(77)	(61)	(16)		(14.253)	(6.089)	(3.629)
	-	-	-	-	-	-	-
PL10. Interest and similar income	(50.082)		(4.506)		(2.167)	(2.389)	
PL20. Interest expenses and similar charges	791	102.385			6	3	295
PL40. Fee and commission income				(328)		(111)	
PL50. Fee and commission cost	42		208				
PL80. Net income financial assets and liabilities held for trading	757						
PL90. Net hedging gains (losses) on hedge accounting	37.665						
PL160. Administrative costs:							
PL160a) payroll costs			(1.206)	(1.937)	(121)	(22)	(454)
PL160b) other administrative costs	2.931	61			72	350	4.136
PL190. Net adjustments / writebacks on intangible assets							-
PL200. Other operating income/expenses			(2.744)	(8.069)	(568)	(577)	(13.802)
Derivatives - notional	8.946						

Transactions carried out by the Group with related parties generally fall within the sphere of ordinary operations of the Group and are normally carried out under market conditions and in any case on the basis of assessments of mutual cost effectiveness, in compliance with the internal procedures referred to above.

Dealings with the parent companies (Banco Santander and Santander Consumer Finance) refer to:

- derivative transactions;
- funding transactions;
- consulting services received.

Dealings with the subsidiaries (Stellantis Financial Services Italia, TIMFin, Santander Consumer Renting and Drive) mainly refer to:

- VAT and tax consolidation (where applicable);
- funding transactions;
- management services granted, with related recharges of out-of-pocket expenses (including secondment of employees).

Dealings with the other companies of the Santander Group mainly refer to:

- consulting services received;
- management services granted, with related recharges of out-of-pocket expenses.

With regard to the transactions with executives with strategic responsibilities of the entity or its parent company, not shown in the above table, mainly deposits of Euro 1.2 million are reported.

Other information

For the information required by article 2427, paragraph 16 bis of the Italian Civil Code concerning the total amount of fees due to the independent auditors, please refer to *Part H - Related-party transactions – Other information* of the Consolidated Financial Statements of Santander Consumer Bank Group.

Part I – Share-based payments

The Bank has not entered into any payment agreements based on its own equity instruments.

Part L – Segment reporting

The Bank does not illustrate this disclosure as it is not listed and is not an issuer of widespread securities.

Part M – Report on leases

Section 1 – Lessee

This part provides the information required by IFRS 16 that is not present in the other parts of the financial statements, distinguishing between lessee and lessor.

Qualitative information

Real estate leases

Real estate lease agreements have a value in use of Euro 10,925 thousand (Euro 15,923 thousand in 2023), and mainly include the company office.

During the year, the lease agreements of the branches were closed (April 2024), on conclusion of the transformation plan process started in 2023. In order to cover non-recurrent charges, relating to the restoration of the properties to their original state, dedicated provisions for risks and charges were used for Euro 176 thousand.

The contracts, as a rule, have a duration of more than 12 months and typically have renewal and termination options that can be exercised by the lessor and the lessee according to the law or specific contractual provisions. These contracts do not usually include the purchase option at the end of the lease or significant restoration costs. Based on the characteristics of the lease contracts and the provisions of Italian Law no. 392/1978, in the event of signing a new lease agreement with a contractual duration of six years and the option of tacitly renewing the six-year contract in six years, the total duration of the lease is set at twelve years. This general indication is superseded if there are new elements or specific situations within the contract.

Motor vehicle leases

The lease agreements relating to motor vehicles have a value in use of Euro 115 thousand (Euro 1,438 thousand in 2023), and consist of long-term rentals referring to the company fleet made available to employees (mixed use).

A number of lease agreements were closed during the year. In order to cover non-recurrent charges, relating to early termination penalties and extra-mileage, dedicated provisions for risks and charges of Euro 231 thousand were used.

Generally, these contracts envisage monthly payments, with no renewal option and do not include the option to purchase the asset.

Residual leases

As already indicated in the accounting policies, the Bank avails itself of the exemptions permitted by IFRS 16 for short-term leases (i.e. duration of less than or equal to 12 months) or leases of modest value assets (i.e. value less than or equal to Euro 5,000), such as hardware and sub-leases.

It is also specified that no sales or retro-leasing transactions were carried out.

Quantitative information

Please refer to the Notes to the financial statements:

- Part B - Assets, which provides information on rights of use acquired through leasing (Table 8.1 - Property, plant and equipment used for business purposes: breakdown of assets measured at cost);
- Part B - Liabilities and shareholders' equity, which shows the lease payables (Table 1.2 - Financial liabilities measured at amortised cost: deposits from customers, breakdown by type) and the relative breakdown by maturity (Table 1.6 - Lease payables);
- Part C contains information on interest expense on lease payables and other charges associated with rights of use acquired through leases and income from sub-lease transactions.

The following table shows the quantitative information not present in the above references:

	Leasing low-value	Short term leasing	Proceeds sub-leasing
Total	**356**	**-**	**334**

Section 2 – Lessor

Qualitative information

The entity provides finance leases consisting of the concession to use motor vehicles, motorcycles, campers and commercial vehicles.

As lessor, the management of the risk associated with the rights that Santander Consumer Bank retains on the underlying assets takes place through buyback agreements, collateral (security deposits) and endorsement guarantees (bank, insurance and sureties).

Quantitative information

1. Balance sheet and Income statement information

Please refer to the Notes to the financial statements:

- Part B - Assets, which shows the lease financing (Table 4.2 - Financial assets measured at amortised cost: loans to customers, breakdown by type);
- Part C contains the information on interest income on lease financing and on other revenues from finance leases.

2. Finance leases

2.1 Classification by time bands of payments to be received and reconciliation with lease financing recognised under assets

Maturity ranges	Total 31/12/2024 Lease payments receivables	Total 31/12/2023 Lease payments receivables
Up to one year	56,986	58,992
Over one year up to 2 years	52,979	50,732
Over 2 years up to 3 years	41,080	45,747
Over 3 years up to 4 years	27,515	30,907
Over 4 years up to 5 years	11,839	11,449
For over 5 years	-	-
Amount of the lease payments receivables	**190,398**	**197,826**
RECONCILIATION OF THE UNDISCOUNTED LEASE PAYMENTS	(24,374)	(25,980)
Not accrued gains (-)	(24,374)	(25,980)
Not guarantee residual value (-)	-	-
Lease payments	**166,024**	**171,846**

2.2 Other information

In order to manage the residual values deriving from un-opted or withdrawn assets following resolution, the Bank structured a sale procedure through dedicated platforms, in order to manage the disposal of the assets in the shortest space of time possible at market conditions.

3. Operating leases

The company has no operating leases.

Balance sheet and income statement of Santander Consumer Finance, S.A.

On the basis of the provisions of Italian Legislative Decree no. 6/2003 on the disclosures to be made with regard to direction and coordination to which Santander Consumer Bank S.p.A. is subject (article 2497-bis, article 2497-ter), a summary of the key data from the latest approved financial statements of Santander Consumer Finance S.A., which exercises direction and coordination, is given below.

For an adequate and full understanding of economic and financial position of Santander Consumer Finance SA as at 31 December 2023 as well as of the economic results achieved by the company in the financial year ending on that date, reference is made to the financial statements themselves which, accompanied by the independent auditors' report, are available in the forms and in the manner prescribed by law.

SANTANDER CONSUMER FINANCE, S.A.

CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2023 AND 2022

(Thousands of Euros)

ASSETS	Exercise 2023	Exercise 2022	LIABILITIES AND EQUITY	Exercise 2023	Exercise 2022
Cash and balances at central banks	1,804,454	489,246	LIABILITIES		
Financial assets held for trading	91,585	125,187	Financial liabilities held for trading	99,626	95,224
Non-trading financial assets mandatorily at fair value through profit or loss	658	387	Financial liabilities at amortised cost	46,429,704	36,758,895
Financial assets through other comprehensive income	2,052,062	2,462,252	Derivatives – hedge accounting	206,186	60,577
Financial assets at amortised cost	41,185,022	31,833,829	Provisions	90,741	89,521
Derivatives – hedge accounting	110,354	454,166	Tax liabilities	383,631	368,899
Changes of the fair value of hedged items in an interest rate risk hedging portfolio	(103,053)	(171,757)	Other liabilities	223,864	153,008
Investments in subsidiaries, joint ventures and associates	11,293,800	11,292,945			
Tangible assets	24,569	26,391	**TOTAL LIABILITIES**	**47,433,752**	**37,526,124**
Intangible assets	146,996	118,289			
Tax assets	439,866	365,721	Equity	9,745,235	9,534,480
Other assets	87,749	53,964	Other comprehensive income	(42,430)	(7,338)
Assets included in disposal groups classified as held for sale	2,495	2,646			
			TOTAL EQUITY	**9,702,805**	**9,527,142**
TOTAL ASSETS	**57,136,557**	**47,053,266**	**TOTAL LIABILITIES AND EQUITY**	**57,136,557**	**47,053,266**
Memorandum items: off balance sheet items					
Loans commitment granted	752,699	630,107			
Financial guarantees granted	4,088,678	4,063,980			

SANTANDER CONSUMER FINANCE, S.A.

CONDENSED INCOME STATEMENTS AS AT 31 DECEMBER 2023 AND 2022

(Thousands of Euros)

	Income / (expenses)	
	Exercise 2023	Exercise 2022
Interest income	1,650,772	693,257
Interest expenses	(1,149,379)	(242,460)
NET INTEREST INCOME	**501,393**	**450,797**
Dividend income	889,086	899,631
Income from companies accounted for using the equity method	—	—
Commissions income	88,169	92,654
Commissions expense	(65,846)	(69.900)
Gains or losses on financial instruments not at fair value through profit or loss, net	47,128	5
Gains or losses on financial instruments held for trading, net	(1,724)	(208)
Gains or losses from hedge accounting, net	5,170	(4,735)
Currency translation differences, net	(3,794)	(17,742)
Gains or losses on derecognition of investments in subsidiaries, joint ventures or associates, net	30,522	—
Other operating income	10,135	9,583
Other operating expenses	(41,253)	(26,856)
OPERATING INCOME	**1,458,986**	**1,333,229**
Administration and general expenses	(332,941)	(293,014)
Depreciation and amortisation cost	(31,949)	(30,737)
Provisions or reversal from provisions, net	(31,925)	(13,690)
Impairment charges and reversals from financial assets not at fair value through profit or loss	(108,835)	(100,102)
NET OPERATING PROFIT	**953,336**	**895,686**
Impairment charges or reversals on investments in joint ventures and associates	—	—
Impairment charges or reversals on non-financial assets	(2,541)	(8,352)
Gains or losses on assets and liabilities included in disposal groups classified as held for sale from discontinued operations	(4,773)	(2,684)
PROFIT OR LOSS BEFORE TAX IN RESPECT OF CONTINUING OPERATIONS	**946,022**	**884,650**
Taxation	(28.799)	(32,857)
Gains or losses after tax in respect of continuing operations	917,223	851,793
PROFIT/(LOSS) AFTER TAX	**917,223**	**851,793**

Annexes

Annex 1 – Country-by-country reporting

Following the updating on 17 June 2014 of the Circular of the Bank of Italy no. 285 of 17 December 2013, Chapter III, Section 2, which implements the provisions of article 89 of Directive no. 2013/36/EU (CRD IV) on the issue of prudential supervision of credit institutions and investment firms, the following information is provided.

Company Name	Head Office	Activity	Revenue	Number of employees	Total profit or loss before tax	Tax income of the year	Public contributions received
Santander Consumer Bank S.p.a.	Italy	Banking	213,660	610	31,179	(2,313)	-
Stellantis Financial Services Italia S.p.a.	Italy	Banking	243,893	449	127,747	(38,103)	-
Stellantis Renting Italia S.p.a.	Italy	Rental and operating lease activities	34,049	3	6,686	(2,054)	-
TimFin S.p.a.	Italy	Lending activities	29,059	15	1,765	- 688	-
Santander Consumer Renting S.r.l.	Italy	Rental and operating lease activities	(2,326)	23	(3,520)	799	-
Drive S.r.l	Italy	Rental and operating lease activities	(2,476)	15	(4,733)	1,076	-
Total			**515,859**	**1,115**	**159,124**	**(41,281)**	-
Consolidation adjustment			(15,690)	-	(15,488)	-	-
Total of Group			**500,175**	**1,115**	**143,636**	**(41,281)**	

Key:

* for companies that carry out banking and lending activities, turnover is represented by the net interest and other banking income.

CONTACTS

Santander Consumer Bank S.p.A.

Head office

Corso Massimo D'Azeglio 33/E

10126 Turin - Italy

Tel. 011 6319 111

Fax 011 63 19 119

e-mail: santanderconsumer@santanderconsumer.it

www.santanderconsumer.it

General Management

Corso Massimo D'Azeglio 33/E

10126 Turin - Italy