

PRESS RELEASE  
CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2024

## Banca Ifis: consolidated net profit up to 127 million Euro. Distribution resolved of an interim dividend 2024 in the amount of 63 million Euro

- Guidance of 160 million Euro profit in 2024 confirmed
- During the period, consolidated revenues rise to 531,8 million Euro. Growth is driven by the positive performance of the commercial business, the Npl business and proprietary finance, which offset the increase in the cost of funding.
- Reduced the possible impact on net interest income of future interest rate cuts, mainly by increasing the maturity of the proprietary securities portfolio and new fixed-rate leasing disbursements.
- TLTRO reimbursement completed. The liquidity position remains very solid, equal to approximately 2,1 billion Euro in reserves and free assets that can be financed by the ECB (LCR of approximately 900%).
- Soundness indicators further strengthened. The CET1 ratio comes to 16,43% including the profit for the first nine months of 2024, net of the dividend accrued, easily exceeding capital requirements<sup>1</sup>.
- The solid capital position allows for the distribution of 63 million Euro (1,2 Euro per outstanding share, gross of any withholding taxes) of a 2024 interim dividend, which will be paid with ex-dividend date 18 November 2024, record date of 19 November 2024 and payment date of 20 November 2024.

### Consolidated results for the first nine months of 2024

Reclassified consolidated data<sup>2</sup> - 1 January 2024/30 September 2024

- **The Banca Ifis Group's consolidated net profit amounts to 126,6 million Euro, up 1,5%** from 124,7 million Euro in the same period of 2023. The results for the first nine months of 2024 were positively influenced by the performance of the commercial business and Npl Segment as well as the proprietary finance business.
- **Net banking income, up 3,8% to 531,8 million Euro** compared to 512,4 million Euro in the same period of 2023, benefits from the growth of the Commercial & Corporate Banking Segment (+3,9%, or 10,2 million Euro, compared to the first nine months of 2023), the positive contribution of the Npl Segment (+6,7%, or 13,5 million Euro, compared to the first nine months of 2023), as well as the increase in results from the financial instruments of the proprietary finance business unit (+63%, or 17,4 million Euro, compared to the first nine months of 2023). These values more than offset the increase in the cost of funding.
- **The credit cost is 28,9 million Euro** from 30,9 million Euro in the first nine months of 2023, confirming the prudent credit risk management in recent quarters.
- **Operating costs of 299,7 million Euro** (+5,9% compared to 283,1 million Euro in the same period of 2023) increase due to higher personnel expenses (127,2 million Euro compared to 120,5 million Euro in the same period of 2023), mainly due to the growth in the number of employees and the renewed NCBA, in addition to higher other administrative expenses (177,6 million Euro compared to 167,0 million Euro in the same period of 2023). These increases also reflect the integration of Revalea.

<sup>1</sup> In January 2024, the Banca Ifis Group was notified of the new SREP requirements by the Bank of Italy. The new requirements provide for a CET1 of 9,0%, a Tier 1 Ratio of 10,90% and a Total Capital Ratio of 13,30% (including 1,0% P2G) and apply starting 31 March 2024. As at 31 December 2023, the SREP requirements were: CET1 8,65%, a Tier 1 Ratio of 10,50% and Total Capital Ratio 12,9% (including 0,75% P2G).

<sup>2</sup> Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (SRF and NRF) and the Deposit Protection Mechanism (DGS or FITD) are shown under a separate item called "Charges related to the banking system" (which is excluded from the calculation of "Operating costs"), instead of being shown under "Other administrative expenses" or "Net allocations to provisions for risks and charges";
- the following is included under the single item "Net credit risk losses/reversals":
  - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
  - net allocations to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

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- **Liquidity position, at 30 September 2024, is equal to approximately 2,1 billion Euro** in reserves and free assets that can be financed by the ECB (LCR of approximately 900%).

### Capital requirements<sup>3</sup>

- **CET1 comes to 16,43% (14,87% at 31 December 2023)** and TCR to 18,65% (17,44% at 31 December 2023), calculated including the profit generated during the first nine months of 2024, net of the dividend accrued.

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**Rome, 7 November 2024** – The Board of Directors of Banca Ifis met today under the **Chairmanship of Ernesto Fürstenberg Fassio** and approved the consolidated results for the first nine months of 2024.

*"Another solid quarter allows us to approach the end of 2024 with confidence and confirm the profit guidance for the current financial year at 160 million Euro. In this way, we confirm the financial targets of the 2022-2024 Business Plan, continuing to strengthen business development, accelerate the innovation and digitisation process and prudently manage credit risk. Despite a year characterised by geopolitical and macroeconomic uncertainties, the Bank continued to further strengthen its already wide range of products and services to accompany Italian small and medium-sized enterprises in their market challenges. We have also continued to implement our social banking model with processes aimed at financial re-inclusion, working towards a more sustainable recovery for our customers that is consistent with the path conceived by our Chairman Ernesto Fürstenberg Fassio. Revenue growth of 3,8% compared to the same period in 2023 reflected proactive sales dynamics, stable recoveries from the Npl business and increased results from the proprietary finance business instruments, which offset the increase in the cost of funding. At the same time, the work to streamline the duration of the securities portfolio allowed us to reduce the possible impact of future rate cuts on net interest income. In the coming quarters, the macroeconomic scenario should still be positive for the banking sector, albeit characterised by falling rates, a potential increase in competition in lending to higher-rated customers and a potential deterioration in asset quality due to the expected slowdown in the European economy. In this context, since the beginning of the year, the Bank has initiated a series of actions aimed at reducing the impact of a possible reduction in interest rates, while the possible risks on asset quality are mitigated by the diversification of the portfolio in terms of sectors and customers, the short duration of loans to customers, solid guarantees supporting exposures and the presence of management overlays. In the coming months, the Bank will complete the last projects of the three-year Business Plan, with a focus on digital and ESG business transformation processes",* says **Frederik Geertman, CEO of Banca Ifis**.

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**The revenues of the Commercial & Corporate Banking Segment**, which in the first nine months of 2024 grew by 3,9% compared with the same period of 2023, reflect the dynamism and quality of work of the commercial network which has allowed business to grow despite lower demand for credit due to higher interest rates and has allowed the Group to offset the increased cost of funding. During the first nine months of the year, the Bank developed new synergies with leading international partners, such as Yamaha Motors in the leasing and rental of electric bicycles for the tourism sector.

**In the Npl Segment**, cash recoveries on purchased portfolios in the first nine months of the year, including 41 million Euro from Revalea, amounted to 316 million Euro, up 7,3% compared to the same period in 2023. To date, judicial and extra-judicial recovery activities do not show any significant negative impact from rising inflation and interest rates.

**The average cost of funding in Q3 2024 remained stable at 3,94%**, remaining at the same level as in the previous quarter. The Bank therefore confirms its goal of keeping the average cost of funding in 2024 below 4,0%. In September, Banca Ifis also completed the repayment of the TLTRO.

**The proprietary finance securities portfolio** decreased from 3 billion Euro in December 2023 to 2,6 billion Euro in September 2024, while its duration was extended from 2,3 years in December 2023 to 3,3 years in September 2024, confirming an active and opportunistic management while maintaining a limited risk profile.

**The asset quality ratios**, the Gross Npe Ratio and the Net Npe Ratio, stand at 5,7% and 3,2% respectively (respectively 5,4% and 3,0% at 30 June 2024), up slightly from the previous quarter due to the reduction in performing loans attributable to the seasonality of the factoring business, while gross and net impaired loans remained substantially

<sup>3</sup> CET1, Tier 1 and Total Capital at 30 September 2024 include the profits generated by the Banking Group in the first nine months of 2024, net of the interim dividend. The generated profits allocated to Own Funds also take into account the foreseeable dividend pursuant to Article 2 of EU Regulation no. 241/2014.

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stable in terms of amount compared to 30 June 2024. The asset quality ratio at 30 September would come in respectively at 5,1% and 2,7% excluding reclassifications resulting from the application of the New Definition of Default regulations to receivables from the National Health System (NHS), which are characterised by limited credit risk and long payment terms. The average coverage of non-performing loans was continuously strengthened from 35% in 2022 to 46% at 30 September 2024.

**Capital ratios** confirm the Group's great solidity. Both the main indicators remain well above the minimum required levels, with a consolidated CET1 Ratio of 16,43% (14,87% as at 31 December 2023) and a consolidated Total Capital Ratio of 18,65% (17,44% as at 31 December 2023), calculated including profits of the first nine months of 2024, net of the dividend accrued.

The solid capital position allows for the distribution of 63 million Euro (1,2 Euro per outstanding share, gross of any withholding taxes) of a 2024 interim dividend, which will be paid with ex-dividend date 18 November 2024, record date of 19 November 2024 and payment date of 20 November 2024.

Please note that the Board of Directors' report and the financial statements as at 30 September 2024 pursuant to Article 2433-bis of the Italian Civil Code. - on the basis of which the Board of Directors of Banca Ifis resolved to distribute the interim dividend and included in the Interim Report at 30 September 2024 - are made available to the public at the Bank's registered office, as well as on the authorised storage mechanism and on the Bank's institutional website, [www.bancaifis.it](http://www.bancaifis.it), in the "Investor Relations" section. Lastly, for the purposes of the distribution of the interim dividend, the independent auditing firm PricewaterhouseCoopers S.p.A. today issued the opinion required by Article 2433-bis of the Italian Civil Code, which has been made available to shareholders at the Bank's registered office.

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In view of the new Industrial Plan, the Board also approved the terms of the collaboration with Mr. Frederik Geertman for the renewal of the role of CEO for the next three years, which will be proposed to the General Shareholders' Meeting of Banca Ifis in April 2025, based on the list submitted by the controlling shareholder La Scogliera SA, following the definition by the same company of the renewal proposal with Mr. Geertman. The resolution was made in compliance with the current legislation regarding transactions with related parties of lesser importance.

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### **Banca Ifis and its commitment to sustainability**

During the period, Banca Ifis continued to pursue initiatives in the field of sustainability through an integrated and concrete approach aimed at creating positive social impact for businesses, territories and people. The Bank's commitment continued along three main lines: governance, environment and social.

On the first front, the initiatives introduced over the past three years have been positively assessed by the international rating agency MSCI, which, in April 2024, raised Banca Ifis's rating from A to AA, to the highest level in the Italian financial sector. The sustainable innovation of Banca Ifis's business model continued with the integration of new partnerships with leading international operators in the field of green products such as e-bike leasing, photovoltaics and electric car charging stations.

On the social front, the Bank continued the community support initiatives of Kaleidos, the Social Impact Lab inspired by the Chairman Ernesto Fürstenberg Fassio. The project, which is linked to a 7 million Euro investment plan over the three-year period 2022-2024, has enabled as many as thirtyfive projects to be implemented throughout the country.

Lastly, on the social initiatives front, April 2024 saw the launch of 'Ifis art', the project desired and devised by Chairman Ernesto Fürstenberg Fassio that brings together all the projects carried out by the Bank to promote art, culture, contemporary creativity and their values. In June, the Bank enriched the collection of the Villa Fürstenberg International Sculpture Park - open to the public free of charge every Sunday - with nine works from the solo exhibition 'Horse Power' by Italian artist Nico Vascellari.

In September, Banca Ifis purchased a stake in the share capital of The Street S.r.l., the company in charge of managing the cultural hub of the Treviso Arts District. In particular, the Bank acquired a 25% stake in the share capital of the company, which today controls the majority of 21Gallery, Il Cantiere, Ristorante Vite and the design brand Ondesign.

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The operation is part of Banca Ifis's strategy to support cultural and social impact activities in the territory, with reference to the North-East area of Italy where the Bank has its headquarters and roots.

**The Banca Ifis social impact measurement model**

To assess the impact of its initiatives, Banca Ifis has developed a **social impact measurement model** aimed at quantifying, through objective criteria, the social value generated on people and communities. Developed in collaboration with **Triadi** - a spin-off of the **Polytechnic University of Milan** - the model is replicable and scalable and allows for the effective targeting of social investments and the maximisation of the social value produced for the community, thus transforming the S (Social) of the ESG acronym into a tangible and measurable dimension.

These initiatives covered **10 different SDGs of the UN 2030 Agenda** and allowed for the analysis of **9 macro social impact goals**: youth empowerment, social inclusion, labour inclusion, gender equality, improving health and access to healthcare, defeating malnutrition, accessibility to healthy and proper nutrition, and urban regeneration.

Applying this model to projects that ended after their development, the **average social impact multiplier is now 5,6**: that is, for every euro invested by Banca Ifis in social initiatives, 5,6 Euro of positive social impact were generated.

After an initial experimental phase launched in 2023 on a select number of projects, in 2024, the Bank extended the measurement of social impact to a further 15 initiatives developed within Kaleidos, thus consolidating the figure of **9,4 million Euro of positive generated value** for all projects examined.

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## **RECLASSIFIED CONSOLIDATED DATA<sup>4</sup>**

The Banca Ifis Group's consolidated income statement as at 30 September 2024 reports a profit attributable to the Parent company of 126,6 million Euro.

Highlights from the Banca Ifis Group's income statements for the first nine months of 2024 are set out below.

### **Net banking income**

Net banking income totals 531,8 million Euro, up 3,8% from 512,4 million Euro at 30 September 2023. This result benefits from the growth of the Commercial & Corporate Banking Segment (+3,9%, or 10,2 million Euro, compared to the first nine months of 2023), the positive contribution of the Npl Segment (+6,7%, or 13,5 million Euro, compared to the first nine months of 2023) despite the increase in servicing fees paid to third parties for the management of the Revalea portfolio, as well as the increase in results from the proprietary finance business (+63%, or 17,4 million Euro, compared to the first nine months of 2023). These values more than offset the increase in the cost of funding.

### **Net credit risk losses**

Credit risk losses total 28,9 million Euro, an improvement of 2,0 million Euro on the 30,9 million Euro at 30 September 2023.

### **Operating costs**

Operating costs total 300,0 million Euro, showing an increase on 30 September 2023 (+5,9%). The reclassified cost/income ratio is 56,3%, in line with the figure for the equivalent period of the previous year.

Below are details of the item's main components:

- personnel expenses amounted to 127,2 million Euro. The increase of 5,6% compared to 30 September 2023 is attributable to both the increase in the workforce (+3,5%) and the effect of the renewed National Collective Bargaining Agreement (NCBA);
- other administrative expenses amounted to 177,6 million Euro (+10,6 million Euro) compared with 30 September 2023. This change is mainly attributable to the increase in costs related to the Npl Segment for the newly acquired Revalea;
- other net operating income amounts to 22,2 million Euro, up 27,6% compared to 30 September 2023. The item refers mainly to revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations.

### **Charges related to the banking system**

At 30 September 2024, the item "Charges related to the banking system" amounts to 8,1 million Euro and represents the cost of the annual contribution to the Interbank Deposit Protection Fund (FITD), of which 7,9 million Euro relates to the Parent company Banca Ifis and the remaining 0,2 million Euro to the subsidiary Banca Credifarma. The comparative balance at 30 September 2023, amounting to 10,3 million Euro, represents for 4,1 million Euro the cost of the contribution under the accumulation plan of the Single Resolution Fund (SRF) made in the first half of 2023 and 6,2 million Euro for

<sup>4</sup> Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (SRF and NRF) and the Deposit Protection Mechanism (DGS or FITD) are shown under a separate item called "Charges related to the banking system" (which is excluded from the calculation of "Operating costs"), instead of being shown under "Other administrative expenses" or "Net allocations to provisions for risks and charges";
- the following is included under the single item "Net credit risk losses/reversals":
  - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
  - net allocations to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

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the provision made in the third quarter of 2023 for the annual contribution to the FITD. As far as the SRF is concerned, nothing was required in terms of contributions at 30 September 2024, the savings plan target having been reached in 2023.

### Net allocations to provisions for risks and charges

Net allocations to provisions for risks and charges amount to 0,6 million Euro, in line with the balance at 30 September 2023 (0,5 million Euro).

### Net profit attributable to the Parent company

The net profit attributable to the Parent Company amounts to 126,6 million Euro, up 1,8 million Euro on the same period of 2023.

### Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the financial results at 30 September 2024.

Net income of the **Commercial & Corporate Banking Segment** comes to 68,8 million Euro, down 1,9 million Euro compared to 30 September 2023, mainly due to the increase in operating costs, as detailed below. The Segment's net banking income comes to 269,3 million Euro, up 10,2 million Euro compared to the same period of the previous year, thanks to the positive performance of the Factoring Area (+8,0 million Euro). This result is determined by the growth in net interest income of 7,9 million Euro (+4,5%) and in other components of net banking income of 1,9 million Euro, while net commissions remain substantially stable.

Net banking income derives from the combined effect of the various Areas of the Segment, as described below:

- the contribution of the **Factoring Area** amounts to 138,9 million Euro, an increase of 6,1% compared to the same period of last year. This result is due to the greater contribution of net interest income (up by 9,0 million Euro), while net commission income declines by 2,1 million Euro;
- Net banking income from the **Leasing Area** amounts to 45,8 million Euro, essentially in line with the figure at 30 September 2023;
- Net banking income of the **Corporate Banking & Lending Area** comes to 84,6 million Euro at 30 September 2024, up 2,8 million Euro on 30 September 2023 (+3,4%). The positive change is a result of the combined effect of the following factors:
  - stability of net interest income at 55,2 million Euro;
  - higher net commissions of 2,6 million Euro (+18,9%), resulting from the Corporate Banking unit of 2,1 million Euro and the Pharmacies division of 0,5 million Euro;
  - 0,9 million Euro increase in the contribution of other net banking income components, mainly due to the investments in securities in the Corporate Banking unit.

At 30 September 2024, net credit risk losses of the Segment come to 32,7 million Euro, down 1,2 million Euro (-3,6%) compared to the same period of the previous year.

The increase in operating costs of 8,1 million Euro compared to 30 September 2023 is due to the rise in personnel expenses due to both the increase in headcount and greater costs connected with the renewed National Collective Bargaining Agreement (NCBA).

At 30 September 2024, net allocations to provisions for risks and charges are 3,6 million Euro, an increase compared with the net provisions made of 0,4 million Euro for the first nine months of 2023. The increase of 3,2 million Euro is mainly attributable to provisions to cover risks related to outstanding disputes over tax credits for Super Ecobonus and other building tax bonuses, only partly offset by releases for the positive resolution of existing disputes.

Profit of the **Npl Segment** at 30 September 2024 is 49,6 million Euro, up 5,1 million Euro on the same period of last year.

The Segment's net banking income amounts to 215,7 million Euro, an increase of 13,5 million Euro compared to the result for 30 September 2023, concentrated in net interest income (+12,3 million Euro, also thanks to the contribution of interest on the portfolio owned by the newly acquired Revalea), while net commissions go from revenues of 2,5 million Euro as at 30 September 2023 to 0,8 million Euro as at 30 September 2024, a change entirely attributable to commissions paid by Revalea to a third-party servicer.

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Operating costs of 141,7 million Euro at 30 September 2024 are up 6,3 million Euro on the first nine months of 2023. This increase is due to the combined effect of higher personnel expenses related in the amount of 3,8 million Euro to the renewed NCBA and the increase in the workforce, as well as higher debt collection costs associated with the newly acquired Revalea.

The profit of the **Governance & Services and Non-Core Segment** at 30 September 2024 amounts to 9,5 million Euro, a decrease on the 30 September 2023 figure of 11,1 million Euro (-1,6 million Euro).

Net banking income for the Segment totals 46,9 million Euro, a decrease of 4,3 million Euro compared to 30 September 2023.

Regarding the credit cost, the figure for 30 September 2024 shows net write-backs of 3,7 million Euro, an improvement of 0,7 million Euro compared to the same period of the previous year.

Operating costs come to 29,4 million Euro, up 2,1 million Euro on 30 September 2023, related to higher consultancy expenses and higher ICT costs to strengthen the Climate & ESG control.

This Segment includes the charges related to the banking system, amounting to 8,1 million Euro, incurred during the period for the operation of the banking system's guarantee funds, as commented above.

With reference to provisions for risks and charges, there are net releases for 1,3 million Euro, thanks to a positive outcome for the Group on a dispute in progress. The releases recognised were only partially offset by provisions for the period made mainly for contractual guarantees given on transferred positions.

**The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 September 2024 is shown below.**

### Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 10.089,8 million Euro, a slight decline (-5,0%) on the 31 December 2023 figure of 10.622,1 million Euro. The item includes debt securities for 1,8 billion Euro (2,0 billion Euro at 31 December 2023, -9,9%), of which government securities for 1,4 billion Euro (1,6 billion Euro at 31 December 2023, -12,5%). In the absence of the debt securities component, receivables due from customers amount to 8.268,4 million Euro, down 3,9% compared to the December 2023 figure (8.600,2 million Euro).

The Commercial & Corporate Banking Segment stands at 6.383,2 million Euro compared with 6.763,5 million Euro at December 2023 (-5,6%). The trend sees consolidated growth in the Corporate Banking & Lending Area (+105,6 million Euro, +4,5%), against substantial stability in the Leasing Area and a slowdown in the Factoring Area (-483,7 million Euro, -17,0%); the Npl Segment was down compared to 31 December 2023 (-6,4%), standing at 1.540,3 million Euro while the contribution of the Governance & Services and Non-Core Segment stands at 2.166,3 million Euro, broadly in line with the end-2023 figure of 2.212,5 million Euro.

### Funding

Total funding amounts to 10,7 billion Euro at 30 September 2024 and shows a decrease compared with the figure at 31 December 2023 (-9,1%); it is represented for 63,3% by payables due to customers (49,2% at 31 December 2023), for 28,7% by debt securities issued (27,8% at 31 December 2023), and for 8,0% by payables due to banks (23,0% at 31 December 2023).

The Group's funding structure is as follows:

- 63,3% customers;
- 14,1% debt securities;
- 14,6% Asset Backed Securities (ABS);
- 8,0% other.

Payables due to banks come to 861,1 million Euro, down 68,3% compared to the end-December 2023 figure, mainly as a result of the full repayment of the TLTRO III lines in the first nine months of 2024 totalling a nominal 1,5 billion Euro (a repayment of a tranche for a nominal 750 million Euro in the first quarter and a partial repayment of a nominal 375 million Euro at the end of June 2024 and the repayment of the residual nominal amount of 411,5 million Euro at the final maturity of September 2024) and a reduction in repurchase agreements payable to banks of 188,0 million Euro. At 30

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September 2024, the balance of payables due to banks is mainly represented by repurchase agreements in the amount of 527,3 million Euro.

Payables due to customers at 30 September 2024 total 6,8 billion Euro, up 17,0% compared to 31 December 2023. The growth is driven by retail funding, which amounts to 5,0 billion Euro at the end of September 2024 (+10,8% compared to 31 December 2023), and repurchase agreements with customers, which amount to 711,4 million Euro (+365,1 million Euro compared to the balance at the end of 2023).

Debt securities issued amount to 3,1 billion Euro at 30 September 2024, down by 209,2 million Euro (-6,4%) following the period dynamics, characterized by the issue in February 2024 of a senior bond worth a nominal amount of 400 million Euro and having a term of 5 years (for more details, please refer to the section "Significant events occurred in the period"), which has essentially replaced the Senior Preferred bond worth a nominal 400 million Euro issued in 2020 and which reached maturity on 25 June 2024, and the normal amortisation of the Group's securitisation securities (-287,9 million Euro compared to December 2023).

### Equity and ratios<sup>5</sup>

Consolidated equity at 30 September 2024 totals 1.780,4 million Euro, up 5,1% on the 1.693,7 million Euro booked at end 2023. The main changes can be traced back to:

- the positive change in the period result attributable to the Parent company of 126,6 million Euro;
- the negative change related to the distribution of the dividend (net of the interim dividend already distributed in 2023) in the amount of 47,3 million Euro;
- the positive change related to reserves of 4,5 million Euro almost entirely associated with fair value changes recorded on financial assets measured at fair value through other comprehensive income (FVOCI);
- the positive change in equity attributable to non-controlling interests for 1,2 million Euro, for the share of the period results accrued by the subsidiary Banca Credifarma;
- other positive changes of 1,7 million Euro related to variable remuneration in shares and stock options granted to senior management.

At 30 September 2024, the equity ratios for the Banca Ifis Group amount to a CET1 Ratio of 16,43%, a Tier 1 Ratio of 16,44% and a Total Capital Ratio of 18,65%.

Following the annual Supervisory Review and Evaluation Process (SREP) by the Bank of Italy, the new capital requirements to be met by the Group, at the consolidated level, for 2024 are as follows:

- CET1 Ratio of 8,00%, with a required minimum of 5,50%;
- Tier 1 Ratio of 9,90%, with a required minimum of 7,40%;
- Total Capital Ratio of 12,30%, with a required minimum of 9,80%.

In order to ensure a level of capital that can absorb any losses arising from stress scenarios, as referred to in Article 104 ter of EU Directive 36/2013, the Bank of Italy has set the following capital levels for the Banca Ifis Group, to which the specific countercyclical coefficient is added:

- CET1 Ratio of 9,00%, consisting of an OCR CET1 ratio of 8,00% and a target component (Pillar 2 Guidance) of 1,00%;
- Tier 1 Ratio of 10,90%, consisting of an OCR Tier 1 Ratio of 9,90% and a target component of 1,00%;
- Total Capital Ratio of 13,30%, consisting of an OCR Total Capital Ratio of 12,30% and a target component of 1,00%.

See also the next section "Significant events occurred in the period".

At 30 September 2024, the Banca Ifis Group easily met the above prudential requirements.

### Significant events occurred in the period

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the Media section of the institutional website [www.bancaifis.it](http://www.bancaifis.it) to view all press releases.

<sup>5</sup> CET1, Tier 1 and Total Capital at 30 September 2024 include the profits generated by the Banking Group in the first nine months of 2024, net of the interim dividend. The generated profits allocated to Own Funds also take into account the foreseeable dividend pursuant to Article 2 of EU Regulation No. 241/2014.



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Here below is a summary of the most significant events in the period.

### **SREP conclusion on capital requirements: Banca Ifis well above Bank of Italy guidelines**

On 29 January 2024, the Banca Ifis Group received notice from the Bank of Italy of the conclusion of the periodic prudential review process ("SREP decision") conducted on the Group.

The Bank of Italy has identified the following capital requirements (equal to the sum of the Overall Capital Requirement and Pillar 2 Guidance) for 2024 on a consolidated basis:

- CET1 Ratio of 9,00%;
- Tier 1 Ratio of 10,90%;
- Total Capital Ratio of 13,30%.

The above capital requirements include the Target component of the Pillar 2 Guidance of 1,00%.

### **Issue of a 400 million Euro bond maturing in 5 years**

On 20 February 2024, Banca Ifis completed the placement of a Senior Preferred Unsecured bond issue under its EMTN programme for an amount of 400 million Euro. The transaction was intended for institutional investors.

Specifically, the issue has a maturity of five years, with settlement date of 27 February 2024. The reoffer price is 99,362, for a return at maturity of 5,65% and a coupon that is payable annually in the amount of 5,50%. The bond was listed on Euronext Milan and has an expected rating of BB+ by Fitch and Baa3 by Moody's.

The bond placement is part of the EMTN funding programme envisaged in the Group's Business Plan for the three-year period 2022-2024, which estimates 2,5 billion Euro of new placements.

### **The Shareholders' Meeting has approved the 2023 Financial Statements and the distribution of a dividend of 0,90 Euro per share for the year**

The Shareholders' Meeting of Banca Ifis S.p.A., which met on 18 April 2024 in single call, chaired by Ernesto Fürstenberg Fassio in accordance with the applicable provisions, and hence in the manner set out in Art. 106 of Decree-Law No. 18 of 17 March 2020, approved, in an ordinary session:

- the Financial Statements as at 31 December 2023;
- the allocation of net profit, taking into account the exercise of the capitalisation option provided for by Article 26, paragraph 5-bis of Decree Law No. 104/2023 (converted with amendments by Law No. 136 of 9 October 2023), to the non distributable reserve in the amount of 23.905.112 Euro (amount equal to two and a half times the tax calculated pursuant to the aforementioned Article 26 of Decree Law No. 104/2023);
- the distribution of a balance on the dividend for FY 2023 of 0,90 Euro, gross of withholding taxes, for each of the Banca Ifis shares issued and outstanding. This 2023 dividend balance has been paid with ex-dividend date 20 May 2024, record date of 21 May 2024 and payment date of 22 May 2024;
- Section I of the document "Report on Remuneration Policy and Remuneration Paid" prepared in accordance with Art. 123-ter of Legislative Decree No. 58/1998. The Shareholders' Meeting also resolved in favour of Section II of the aforementioned document relating to the implementation of remuneration policies during FY 2023;
- the proposal by the majority shareholder La Scogliera S.A. to appoint Nicola Borri as a new independent director, to replace the resigning director Sebastien Egon Fürstenberg, who, as honorary chairman, continues to participate in corporate and board life under the terms of the Articles of Association. Prof. Borri will remain in office until the natural expiry of the Board of Directors currently in office, i.e. until the Shareholders' Meeting called to approve the financial statements for FY 2024.

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## **Restructuring of the securitisation “Ifis ABCP Programme” of factoring receivables worth 1,15 billion Euro**

On 28 June 2024, Banca Ifis successfully completed the restructuring of the securitisation called “Ifis ABCP Programme”, worth 1,15 billion Euro involving proprietary factoring receivables. The securitisation was initially finalised on 13 October 2016 and relates to the assignment, on a revolving basis, of receivables due from private customers arising from the Group's ordinary factoring activities, acquired both with and without recourse and of which the assigned debtor has been notified of the assignment.

The restructuring has led Banca Ifis, which assumed the role of Lead-Arranger and Calculation Agent, to improve the economic conditions of the securitisation and to enlarge the investor base from six to eight institutions. The banks already involved in the project were joined by “Cassa Depositi e Prestiti” (CDP), whose commitment aims to provide new finance to SMEs, and Natixis CIB, the latter also assuming the role of co-arranger.

This restructuring transaction did not have any impact on the Banca Ifis Group's financial and equity position at 30 September 2024.

## **TLTRO lines of 1,5 billion Euro repaid in the first nine months of 2024**

With regard to TLTRO funding, it should be noted that during the period, thanks to the Group's solid liquidity position in reserves and free assets that can be financed by the ECB, we continued with the early repayment, with respect to the September 2024 maturity date, of the TLTRO III lines for a further nominal amount of 1.125 million Euro, also completing well in advance all the managerial actions aimed at the repayment of the remaining nominal amount of 411,5 million Euro, which took place on 25 September 2024 and brought the amount of TLTRO III lines repaid to a nominal amount of 2.036,5 million Euro.

It should be noted that, as early as the end of 2023, the Group put in place the managerial actions preparatory to the replacement of this funding component through senior bond issues, the increase of retail funding with a multi-channel strategy and targeted marketing campaigns as well as the restructuring of securitisation transactions on the Group's portfolios. As a result, these actions effectively changed the Group's funding structure, which at 30 September 2024 consists of 63,3% in amounts due to customers (45,0% at 30 September 2023), 28,7% in debt securities issued (27,4% at 30 September 2023) and 8,0% in payables due to banks (27,6% at 30 September 2023).

## **Banca Ifis enters the share capital of The Street S.r.l. with a 25% stake**

On 19 September 2024 Banca Ifis entered the share capital of The Street S.r.l., the company in charge of managing the cultural hub of the Treviso Arts District (TAD). In particular, the Bank acquired a 25% stake in the share capital of the company, which controls the majority of 21Gallery, Il Cantiere, Ristorante Vite and the design brand Ondesign. The operation is part of the Group's strategy to support cultural and social impact activities in the territory, with particular reference to the North-East area of Italy where Banca Ifis has its headquarters and roots.

## **Significant subsequent events**

No significant events occurred between period end and the approval of the Interim Report at 30 September 2024 by the Board of Directors.

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**Declaration of the Manager charged with preparing the Company's financial reports**

Pursuant to article 154 bis, paragraph 2 of the Consolidated Law on Finance, the Manager Charged with preparing the Company's financial reports, Massimo Luigi Zanaboni, declares that the financial information contained in this press release corresponds to the related books and accounting records.

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### Reclassified Financial Statements and key balance sheet data

Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (SRF and NRF) and the Deposit Protection Mechanism (DGS or FITD) are shown under a separate item called "Charges related to the banking system" (which is excluded from the calculation of "Operating costs"), instead of being shown under "Other administrative expenses" or "Net allocations to provisions for risks and charges";
- the following is included under the single item "Net credit risk losses/reversals":
  - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
  - net allocations to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

### Reclassified Consolidated Statement of Financial Position

| <b>ASSETS</b><br>(in thousands of Euro)                                    | <b>30.09.2024</b> | <b>31.12.2023</b> |
|--|-------------------|-------------------|
| Cash and cash equivalents  | 684.197           | 857.533           |
| Financial assets held for trading  | 17.407            | 12.896            |
| Financial assets mandatorily measured at fair value through profit or loss | 250.095           | 221.982           |
| Financial assets measured at fair value through other comprehensive income | 490.254           | 749.176           |
| Receivables due from banks measured at amortised cost                      | 656.210           | 637.567           |
| Receivables due from customers measured at amortised cost                  | 10.089.827        | 10.622.134        |
| Hedging derivatives  | 1.173             | -                 |
| Equity investments   | 976               | 24                |
| Property, plant and equipment  | 162.420           | 143.255           |
| Intangible assets  | 81.031            | 76.667            |
| <i>of which:</i>   |                   |                   |
| - <i>goodwill</i>  | 38.020            | 38.020            |
| Tax assets:  | 227.446           | 285.435           |
| a) <i>current</i>  | 19.522            | 46.601            |
| b) <i>deferred</i>   | 207.924           | 238.834           |
| Other assets   | 385.006           | 444.692           |
| <b>Total assets</b>  | <b>13.046.042</b> | <b>14.051.361</b> |

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| LIABILITIES AND EQUITY<br>(in thousands of Euro)       | 30.09.2024        | 31.12.2023        |
|--|-------------------|-------------------|
| Payables due to banks                                  | 861.064           | 2.717.139         |
| Payables due to customers                              | 6.801.300         | 5.814.624         |
| Debt securities issued                                 | 3.079.718         | 3.288.895         |
| Financial liabilities held for trading                 | 14.347            | 14.005            |
| Hedging derivatives                                    | 13.991            | 11.644            |
| Tax liabilities:                                       | 52.293            | 57.717            |
| a) current   | 20.727            | 26.025            |
| b) deferred  | 31.566            | 31.692            |
| Other liabilities                                      | 379.522           | 387.554           |
| Post-employment benefits                               | 7.814             | 7.906             |
| Provisions for risks and charges                       | 55.598            | 58.178            |
| Valuation reserves                                     | (25.915)          | (39.215)          |
| Reserves   | 1.546.112         | 1.505.424         |
| Interim dividends (-)                                  | -                 | (62.962)          |
| Share premiums   | 85.353            | 84.108            |
| Share capital  | 53.811            | 53.811            |
| Treasury shares (-)                                    | (20.990)          | (21.817)          |
| Equity attributable to non-controlling interests (+/-) | 15.456            | 14.240            |
| Profit (loss) for the period (+/-)                     | 126.568           | 160.110           |
| <b>Total liabilities and equity</b>                    | <b>13.046.042</b> | <b>14.051.361</b> |

**Reclassified Consolidated Income Statement**

| ITEMS OF THE INCOME STATEMENT<br>(in thousands of Euro)                                | 30.09.2024       | 30.09.2023       |
|--|------------------|------------------|
| <b>Net interest income</b>   | <b>404.399</b>   | <b>409.506</b>   |
| <b>Net commission income</b>   | <b>69.566</b>    | <b>74.299</b>    |
| Other components of net banking income   | 57.871           | 28.552           |
| <b>Net banking income</b>  | <b>531.836</b>   | <b>512.357</b>   |
| Net credit risk losses/reversals   | (28.875)         | (30.870)         |
| <b>Net profit (loss) from financial activities</b>                                     | <b>502.961</b>   | <b>481.487</b>   |
| Administrative expenses:   | (304.798)        | (287.431)        |
| a) personnel expenses  | (127.235)        | (120.466)        |
| b) other administrative expenses   | (177.563)        | (166.965)        |
| Net impairment losses/reversals on property, plant and equipment and intangible assets | (17.019)         | (13.024)         |
| Other operating income/expenses  | 22.153           | 17.360           |
| <b>Operating costs</b>   | <b>(299.664)</b> | <b>(283.095)</b> |
| Charges related to the banking system  | (8.121)          | (10.332)         |
| Net allocations to provisions for risks and charges                                    | (565)            | (495)            |
| Non-recurring expenses and income  | (556)            | (1.320)          |
| <b>Pre-tax profit (loss) for the period from continuing operations</b>                 | <b>194.055</b>   | <b>186.245</b>   |
| Income taxes for the period relating to continuing operations                          | (66.270)         | (60.120)         |
| <b>Profit (loss) for the period</b>  | <b>127.785</b>   | <b>126.125</b>   |
| (Profit) loss for the period attributable to non-controlling interests                 | (1.217)          | (1.384)          |
| <b>Profit (loss) for the period attributable to the Parent Company</b>                 | <b>126.568</b>   | <b>124.741</b>   |

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### Consolidated Own funds and capital adequacy ratios

| OWN FUNDS AND CAPITAL ADEQUACY RATIOS<br>(in thousands of Euro) | AMOUNTS                   |                            |
|---|---------------------------|----------------------------|
|   | 30.06.2024 <sup>(*)</sup> | 31.12.2023 <sup>(**)</sup> |
| Common Equity Tier 1 (CET1) capital                             | 1.592.725                 | 1.544.497                  |
| Tier 1 capital  | 1.593.652                 | 1.545.424                  |
| <b>Total Own funds</b>  | <b>1.808.031</b>          | <b>1.812.324</b>           |
| <b>Total RWAs</b>   | <b>9.695.327</b>          | <b>10.390.002</b>          |
| <b>CET1 Ratio</b>   | <b>16,43%</b>             | <b>14,87%</b>              |
| Tier 1 Ratio  | 16,44%                    | 14,87%                     |
| <b>Total Capital Ratio</b>                                      | <b>18,65%</b>             | <b>17,44%</b>              |

(\*) CET1, Tier 1 and Total Capital at 30 September 2024 include the profits generated by the Banking Group in the first nine months of 2024, net of the interim dividend. The generated profits allocated to Own Funds also take into account the foreseeable dividend pursuant to Article 2 of EU Regulation no. 241/2014.

(\*\*) CET1, Tier 1 and Total Own funds (Total Capital) at 31 December 2023 include the profits generated by the Banking Group at that date, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

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