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Interim Report at 30 September 2024

Banca Ifis

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Summary

This document is a courtesy translation into English of the document in Italian approved by the Board of Directors. In case of any discrepancies or doubts between the English and the Italian versions of the Report, the Italian version prevails.

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Corporate bodies

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Corporate offices and Independent auditing firm in office at approval of the Interim Report at 30 September 2024

	Honorary Chairman
	Sebastien Egon Fürstenberg
	Board of Directors
Chairman	Ernesto Fürstenberg Fassio
Vice Chair	Simona Arduini
Chief Executive Officer	Frederik Herman Geertman [(1)]
Directors	Monica Billio
	Nicola Borri
	Beatrice Colleoni
	Roberto Diacetti
	Roberta Gobbi
	Luca Lo Giudice
	Antonella Malinconico
	Giovanni Meruzzi
	Paola Paoloni
	Monica Regazzi

[(1)] *The CEO has powers for the ordinary management of the Company.*

	Board of Statutory Auditors
Chairman	Andrea Balelli
Standing Auditors	Annunziata Melaccio
	Franco Olivetti
Alternate Auditors	Marinella Monterumisi
	Emanuela Rollino
	General Management
Co-General Managers	Fabio Lanza
	Raffaele Zingone
	Manager charged with preparing the the Company's financial reports
	Massimo Luigi Zanaboni
	Independent Auditors
	PricewaterhouseCoopers S.p.A.

Parent Company name: Banca Ifis S.p.A.
Share capital: 53.811.095 Euro, fully paid-up
Reporting party's name: Banca Ifis S.p.A.
Ultimate Parent company name: La Scogliera S.A.
Reason for change of name: none
Reporting office: Venice
Legal form: S.p.A.
Country of registration: Italy
Main place of business: Mestre – Venice
Registered and administrative office Via Terraglio, 63 30174 Mestre - Venice (Italy)
Nature of reporting party's business: Credit business
ABI: 3205.2
Tax Code and Venice Companies Register Number: 02505630109
VAT No.: 04570150278
Enrolment in the Register of Banks No.: 5508
Website: www.bancaifis.it

FCI Member

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Consolidated Interim Report at 30 September 2024

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Interim Directors' report on the Group

General aspects

The Consolidated Interim Report at 30 September 2024 includes the Reclassified Consolidated Financial Statements, the related Notes and this Interim Directors' report on the Group.

The balance sheet and income statement, within the Interim Directors' Report on the Group, are presented in reclassified form, according to management criteria, in order to provide timely information on the Group's general performance based on aggregated economic and financial data that are quick and easy to understand. It should be noted that in connection with the acquisition of Revalea S.p.A. finalised on 31 October 2023 and its inclusion in the scope of consolidation, the figures for the first nine months of 2024 and in particular the income statement figures may not be fully comparable with those of the same period of the previous year. However, it should be noted that in the comments to the individual items, the contribution of the company acquired is presented, where relevant. Analytical details of the restatements and reclassifications made with respect to the Consolidated financial statements compliant with Bank of Italy Circular 262 are provided in separate tables published among the annexes (see the section "Annexes" of this document), also in compliance with the requirements of Consob Communication No. 6064293 of 28 July 2006.

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.

The balance sheet components were aggregated without reclassification.

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Highlights

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	684.197	857.533	(173.336)	(20,2)%
Financial assets measured at fair value through profit or loss	267.502	234.878	32.624	13,9%
Financial assets measured at fair value through other comprehensive income	490.254	749.176	(258.922)	(34,6)%
Receivables due from banks measured at amortised cost	656.210	637.567	18.643	2,9%
Receivables due from customers measured at amortised cost	10.089.827	10.622.134	(532.307)	(5,0)%
Total assets	**13.046.042**	**14.051.361**	**(1.005.319)**	**(7,2)%**
Payables due to banks	861.064	2.717.139	(1.856.075)	(68,3)%
Payables due to customers	6.801.300	5.814.624	986.676	17,0%
Debt securities issued	3.079.718	3.288.895	(209.177)	(6,4)%
Consolidated equity	**1.780.395**	**1.693.699**	**86.696**	**5,1%**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT HIGHLIGHTS (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**531.836**	**512.357**	**19.479**	**3,8%**
Net credit risk losses/reversals	(28.875)	(30.870)	1.995	(6,5)%
Net profit (loss) from financial activities	**502.961**	**481.487**	**21.474**	**4,5%**
Operating costs	**(299.664)**	**(283.095)**	**(16.569)**	**5,9%**
Charges related to the banking system	(8.121)	(10.332)	2.211	(21,4)%
Net allocations to provisions for risks and charges	(565)	(495)	(70)	14,1%
Non-recurring expenses and income	(556)	(1.320)	764	(57,9)%
Pre-tax profit (loss) for the period from continuing operations	**194.055**	**186.245**	**7.810**	**4,2%**
Income taxes for the period relating to continuing operations	(66.270)	(60.120)	(6.150)	10,2%
Profit (loss) for the period	**127.785**	**126.125**	**1.660**	**1,3%**
(Profit) loss for the period attributable to non-controlling interests	(1.217)	(1.384)	167	(12,1)%
Profit (loss) for the period attributable to the Parent Company	**126.568**	**124.741**	**1.827**	**1,5%**

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CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	30.09.2024	30.09.2023
Profit (loss) for the period	**127.785**	**126.125**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	(410)	(4.540)
Other comprehensive income, net of taxes, to be reclassified to profit or loss	4.900	4.711
Consolidated comprehensive income	**132.275**	**126.296**
Consolidated comprehensive income attributable to non-controlling interests	(1.217)	(1.385)
Consolidated comprehensive income attributable to the Parent Company	**131.058**	**124.911**

Refer to the section “Group financials and income results” in the Notes to the Financial Statements for comments on the balance sheet and economic trends.

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Results by operating Segments

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT	TOTAL CONS. GROUP TOTAL
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*			
Other financial assets mandatorily measured at fair value through profit or loss							
Amounts at 30.09.2024	149.234	*979*	-	*148.255*	45.388	55.473	**250.095**
Amounts at 31.12.2023	107.169	*975*	-	*106.194*	41.735	73.078	**221.982**
% Change	39,3%	*0,4%*	-	*39,6%*	8,8%	(24,1)%	**12,7%**
Financial assets measured at fair value through other comprehensive income							
Amounts at 30.09.2024	1.298	-	-	*1.298*	-	488.956	**490.254**
Amounts at 31.12.2023	1.333	-	-	*1.333*	-	747.843	**749.176**
% Change	(2,6)%	-	-	*(2,6)%*	-	(34,6)%	**(34,6)%**
Receivables due from customers (1)							
Amounts at 30.09.2024	6.383.216	*2.361.133*	*1.549.977*	*2.472.106*	1.540.336	2.166.275	**10.089.827**
Amounts at 31.12.2023	6.763.468	*2.844.805*	*1.552.204*	*2.366.459*	1.646.158	2.212.509	**10.622.134**
% Change	(5,6)%	*(17,0)%*	*(0,1)%*	*4,5%*	(6,4)%	(2,1)%	**(5,0)%**
Goodwill							
Amounts at 30.09.2024	-	-	-	-	38.020	-	**38.020**
Amounts at 31.12.2023	-	-	-	-	38.020	-	**38.020**
% Change	-	-	-	-	0,0%	-	**0,0%**
Other assets							
Amounts at 30.09.2024	163.685	*163.685*	-	-	-	221.321	**385.006**
Amounts at 31.12.2023	208.748	*208.748*	-	-	-	235.944	**444.692**
% Change	(21,6)%	*(21,6)%*	-	-	-	(6,2)%	**(13,4)%**

(1) In the Governance & Services and Non-Core Segment, at 30 September 2024, there are government securities amounting to 1.425,4 million Euro (1.628,7 million Euro at 31 December 2023).

The remaining balance sheet items, other than those shown in the above table, are allocated to the Governance & Services and Non-Core Segment, from which the corresponding economic items are reallocated to the other Segments, on a direct or indirect basis.

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RECLASSIFIED INCOME STATEMENT DATA AT 30.09.2024 (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT	CONS. GROUP TOTAL
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*			
Net interest income	**183.177**	***90.187***	***37.797***	***55.193***	**206.266**	**14.956**	**404.399**
Net commission income	**73.031**	***48.684***	***8.049***	***16.298***	**(774)**	**(2.691)**	**69.566**
Other components of net banking income	13.089	*16*	-	*13.073*	10.165	34.617	**57.871**
of which: Gain on sale of receivables		-	-	-	*9.881*	-	***9.881***
Net banking income	**269.297**	***138.887***	***45.846***	***84.564***	**215.657**	**46.882**	**531.836**
Net credit risk losses/reversals	(32.660)	*(12.181)*	*(6.039)*	*(14.440)*	116	3.669	**(28.875)**
Net profit (loss) from financial activities	**236.637**	***126.706***	***39.807***	***70.124***	**215.773**	**50.551**	**502.961**
Operating costs	**(128.602)**	***(72.226)***	***(26.728)***	***(29.648)***	**(141.699)**	**(29.363)**	**(299.664)**
Charges related to the banking system	-	-	-	-	-	(8.121)	**(8.121)**
Net allocations to provisions for risks and charges	(3.583)	*(8.653)*	*89*	*4.981*	1.730	1.288	**(565)**
Non-recurring expenses and income	-	-	-	-	(556)	-	**(556)**
Pre-tax profit (loss) for the period from continuing operations	**104.452**	***45.827***	***13.168***	***45.457***	**75.248**	**14.355**	**194.055**
Income taxes for the period relating to continuing operations	(35.671)	*(15.650)*	*(4.497)*	*(15.524)*	(25.697)	(4.902)	**(66.270)**
Profit (loss) for the period	**68.781**	***30.177***	***8.671***	***29.933***	**49.551**	**9.453**	**127.785**
(Profit) loss for the period attributable to non-controlling interests	-	-	-	-	-	(1.217)	**(1.217)**
Profit (loss) for the period attributable to the Parent Company	**68.781**	***30.177***	***8.671***	***29.933***	**49.551**	**8.236**	**126.568**

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SEGMENT KPIs (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT[(1)]
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*		
Credit cost [(2)]						
Amounts at 30.09.2024	0,66%	*0,62%*	*0,52%*	*0,80%*	n.a.	(0,78)%
Amounts at 31.12.2023	0,95%	*1,13%*	*0,29%*	*1,18%*	n.a.	(1,46)%
% Change	(0,29)%	*(0,51)%*	*0,23%*	*(0,38)%*	n.a.	0,68%
Net bad loans/Receivables due from customers						
Amounts at 30.09.2024	0,5%	*0,5%*	*0,0%*	*0,7%*	79,3%	0,2%
Amounts at 31.12.2023	0,3%	*0,4%*	*0,0%*	*0,3%*	77,6%	0,3%
% Change	0,2%	*0,1%*	*0,0%*	*0,4%*	1,7%	(0,1)%
Coverage ratio on gross bad loans						
Amounts at 30.09.2024	73,9%	*83,6%*	*94,5%*	*35,7%*	0,0%	52,4%
Amounts at 31.12.2023	80,7%	*85,6%*	*93,5%*	*50,4%*	0,0%	53,8%
% Change	(6,8)%	*(2,0)%*	*1,0%*	*(14,7)%*	0,0%	(1,4)%
Net non-performing exposures/Net receivables due from customers						
Amounts at 30.09.2024	3,2%	*3,5%*	*1,0%*	*4,4%*	99,1%	1,1%
Amounts at 31.12.2023	3,1%	*4,5%*	*0,7%*	*3,1%*	98,2%	1,2%
% Change	0,1%	*(1,0)%*	*0,3%*	*1,3%*	0,9%	(0,1)%
Gross non-performing exposures/Gross receivables due from customers						
Amounts at 30.09.2024	5,8%	*7,4%*	*2,4%*	*6,2%*	99,1%	1,7%
Amounts at 31.12.2023	5,3%	*7,6%*	*1,9%*	*4,8%*	98,2%	2,0%
% Change	0,5%	*(0,2)%*	*0,5%*	*1,4%*	0,9%	(0,3)%
RWA [(3)]						
Amounts at 30.09.2024	5.553.627	*2.337.981*	*1.291.610*	*1.924.036*	1.773.421	1.194.296
Amounts at 31.12.2023	5.813.454	*2.737.066*	*1.344.965*	*1.731.423*	1.898.366	1.537.717
% Change	(4,5)%	*(14,6)%*	*(4,0)%*	*11,1%*	(6,6)%	(22,3)%

(1) In the Governance & Services and Non-Core Segment, at 30 September 2024, there are government securities amounting to 1.425,4 million Euro (1.628,7 million Euro at 31 December 2023).

(2) This indicator is calculated comparing the "annualised" value of net credit risk losses/reversals at the end of the year over the average loans to customers (calculated quarterly).

(3) Risk Weighted Assets; the amount only relates to the credit risk.

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Quarterly Evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2024			YEAR 2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	**117.036**	**146.605**	**140.758**	**156.691**	**134.820**	**135.247**	**139.439**
Net commission income	**22.657**	**23.835**	**23.074**	**23.922**	**24.002**	**26.970**	**23.327**
Other components of net banking income	17.629	18.836	21.406	11.646	5.029	10.464	13.059
Net banking income	**157.322**	**189.276**	**185.238**	**192.259**	**163.851**	**172.681**	**175.825**
Net credit risk losses/reversals	(13.034)	(7.252)	(8.589)	(21.537)	(14.532)	(6.367)	(9.971)
Net profit (loss) from financial activities	**144.288**	**182.024**	**176.649**	**170.722**	**149.319**	**166.314**	**165.854**
Personnel expenses	(40.622)	(43.217)	(43.396)	(43.336)	(40.021)	(40.737)	(39.708)
Other administrative expenses	(53.376)	(62.246)	(61.941)	(71.244)	(51.806)	(61.337)	(53.822)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(6.199)	(5.646)	(5.174)	(4.682)	(4.472)	(4.350)	(4.202)
Other operating income/expenses	6.629	7.133	8.391	7.709	4.894	5.824	6.642
Operating costs	**(93.568)**	**(103.976)**	**(102.120)**	**(111.553)**	**(91.405)**	**(100.600)**	**(91.090)**
Charges related to the banking system	(25)	(8.087)	(9)	(861)	(6.242)	1.760	(5.850)
Net allocations to provisions for risks and charges	141	1.443	(2.149)	(6.383)	31	(8)	(518)
Non-recurring expenses and income	(236)	(280)	(40)	(1.599)	(1.320)	-	-
Gains (losses) on disposal of investments	-	-	-	986	-	-	-
Pre-tax profit (loss) for the period from continuing operations	**50.600**	**71.124**	**72.331**	**51.312**	**50.383**	**67.466**	**68.396**
Income taxes for the period relating to continuing operations	(17.280)	(24.289)	(24.701)	(15.521)	(16.264)	(21.778)	(22.078)
Profit (loss) for the period	**33.320**	**46.835**	**47.630**	**35.791**	**34.119**	**45.688**	**46.318**
(Profit) loss for the period attributable to non-controlling interests	(366)	(397)	(454)	(422)	(414)	(566)	(404)
Profit (loss) for the period attributable to the Parent Company	**32.954**	**46.438**	**47.176**	**35.369**	**33.705**	**45.122**	**45.914**

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Contribution of operating Segments to Group results

In accordance with standard IFRS 8, a company must provide information that allows users of the financial statements to assess the nature and effects on such of the balance of the business it pursues and the economic contexts in which it operates. The contribution therefore needs to be highlighted as made by the various operating Segments to forming the Group's financial result.

Identification of the operating Segments is consistent with the methods adopted by the Management to take operative decisions and is based on internal reporting, used in order to allocate the resources to the various segments and analyse the relevant performance.

In line with the structure used by Management to analyse the Group's results, the information by Segment is broken down as follows:

- Commercial & Corporate Banking Segment, that represents the Group's commercial offer dedicated to businesses and also includes personal loans with the assignment of one-fifth of salary or pension. The Segment consists of the Factoring, Leasing and Corporate Banking & Lending Business Areas;
- Npl Segment, dedicated to non-recourse factoring and managing distressed loans, servicing and managing non-performing, secured loans. This Segment includes the income contribution from Revalea S.p.A., a company acquired in the fourth quarter of 2023;
- Governance & Services and Non-Core Segment, which provides the Segments operating in the Group's core businesses with the financial resources and services necessary to perform their respective activities. The Segment includes treasury and proprietary securities desk activities, as well as some corporate loans portfolio assigned for run-off insofar as held to be non-strategic to the Group's growth.

The Segments of the financial numerical are attributed on the basis of homogeneous allocation criteria in order to take into account both the specificity of the various segments and the need to guarantee effective monitoring of business performance over time.

Moreover, considering the foregoing, the Segment information in relation to the items of the income statement shows the results at the level of the net profit.

Commercial & Corporate Banking Segment

The Commercial & Corporate Banking Segment includes the following business areas:

- Factoring: Area dedicated to supporting the trade credit of SMEs operating on the domestic market, which develop towards export, or which from export, turn to Italian customers; it also includes a business unit specialised in the acquisition of tax receivables transferred from bankruptcy proceedings, which operates under the Fast Finance brand. This unit acquires tax receivables, accrued and accruing, already requested for reimbursement, or future, arising from proceedings or in previous years;
- Leasing: Area that provides finance and operating leases - but not real estate leases, as the Group does not offer them - to small economic operators and SMEs;
- Corporate Banking & Lending: Business Area that aggregates multiple units:
    - Structured Finance, a division dedicated to supporting companies and private equity funds in structuring financing, both bilateral and pooled;
    - Equity Investments, a division dedicated to investments in non-financial companies and in units of intermediaries;

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- Lending, a business dedicated to the Group's medium/long-term operations, focussed on supporting the business operating cycle and the disbursement of consumer credit in the form of salary- or pension-backed loans.

Below are the Segment results at 30 September 2024.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**183.177**	**175.247**	**7.930**	**4,5%**
Net commission income	**73.031**	**72.694**	**337**	**0,5%**
Other components of net banking income	13.089	11.143	1.946	17,5%
Net banking income	**269.297**	**259.084**	**10.213**	**3,9%**
Net credit risk losses/reversals	(32.660)	(33.871)	1.211	(3,6)%
Net profit (loss) from financial activities	**236.637**	**225.213**	**11.424**	**5,1%**
Operating costs	**(128.602)**	**(120.462)**	**(8.140)**	**6,8%**
Net allocations to provisions for risks and charges	(3.583)	(415)	(3.168)	n.s.
Pre-tax profit (loss) for the period from continuing operations	**104.452**	**104.336**	**116**	**0,1%**
Income taxes for the period relating to continuing operations	(35.671)	(33.678)	(1.993)	5,9%
Profit (loss) for the period	**68.781**	**70.658**	**(1.877)**	**(2,7)%**

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 based on the contribution of the individual Business Areas. 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). Overall, faced with the essential stability in net commissions, net interest income grows by 7,9 million Euro (+4,5%) and the other components of net banking income by 1,9 million Euro.

Compared to the same period of the previous year, there are lower net value adjustments of 1,2 million Euro (-3,6%).

The increase in operating costs of 8,1 million Euro compared to 30 September 2023 is mainly 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). Other administrative expenses also grow following the higher ICT costs and those of the inter-banking network in support of customer operations, as well as costs arising from the amortisation of intangible assets relating to investments in software functional to the digitalisation of customer relations and the related credit generation and management process are also on the rise.

At 30 September 2024, net allocations to provisions for risks and charges amount to a negative 3,6 million Euro, a worsening compared with the negative balance 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.

The operating performance of the business areas making up the Segment is described and analysed further on.

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The following table details the gross and net amounts as well as the relevant coverage ratios of receivables due from customers by credit quality.

COMMERCIAL & CORPORATE BANKING (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 30.09.2024						
Nominal amount	112.249	197.568	73.179	**382.996**	6.260.813	**6.643.809**
Losses	(83.007)	(87.545)	(6.491)	**(177.043)**	(83.550)	**(260.593)**
Carrying amount	29.242	110.023	66.688	**205.953**	6.177.263	**6.383.216**
Coverage ratio	*73,9%*	*44,3%*	*8,9%*	***46,2%***	*1,3%*	***3,9%***
Gross ratio	*1,7%*	*3,0%*	*1,1%*	***5,8%***	*94,2%*	***100,0%***
Net ratio	*0,5%*	*1,7%*	*1,0%*	***3,2%***	*96,8%*	***100,0%***
POSITION AT 31.12.2023						
Nominal amount	98.969	170.367	105.968	**375.304**	6.657.667	**7.032.971**
Losses	(79.915)	(76.670)	(5.849)	**(162.434)**	(107.070)	**(269.504)**
Carrying amount	19.054	93.698	100.118	**212.870**	6.550.597	**6.763.467**
Coverage ratio	*80,7%*	*45,0%*	*5,5%*	***43,3%***	*1,6%*	***3,8%***
Gross ratio	*1,4%*	*2,4%*	*1,5%*	***5,3%***	*94,7%*	***100,0%***
Net ratio	*0,3%*	*1,4%*	*1,5%*	***3,1%***	*96,9%*	***100,0%***

Net non-performing exposures in the Commercial & Corporate Banking Segment stand at 206,0 million Euro at 30 September 2024, down 6,9 million Euro on 31 December 2023 (212,9 million Euro). The trend is attributable to a significant decrease in non-performing past due exposures amounting to 33,4 million Euro (especially those in the Factoring Area, for 22 million Euro due to the return to performing status of one public administration customer), partially offset by increases in unlikely to pay and non-performing loans of 16,3 million Euro and 10,2 million Euro, respectively (especially in the Corporate Banking & Lending Area).

The coverage ratio of the impaired portfolio goes from 43,3% at 31 December 2023 to 46,2% at 30 September 2024, as a result of the increase in the incidence of unlikely to pay and non-performing loans on the Segment's total impaired portfolio.

The Commercial & Corporate Banking Segment includes loans that are mainly impaired (classified in the accounts as "POCI"), mainly referring to assets stemming from business combinations: the net value of these assets is 10,1 million Euro at 30 September 2024, as compared with the 12,3 million Euro recorded at 31 December 2023, of which 6,8 million Euro non-performing (8,5 million Euro at 31 December 2023).

These amounts already incorporate the effects connected with the temporal reversal of the effects seen during the PPA and the effects of expected losses over the useful life of the asset, as required by IFRS 9.

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KPIs	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Credit cost[1]	0,66%	0,95%	n.a.	(0,29)%
Net impaired assets/ Net receivables due from customers	3,2%	3,1%	n.a.	0,1%
Gross impaired assets/ Gross receivables due from customers	5,8%	5,3%	n.a.	0,5%
RWA [2]	5.553.627	5.813.454	(259.827)	(4,5)%

(1) This indicator is calculated comparing the "annualised" value of net credit risk losses/reversals at the end of the year over the average loans to customers (calculated quarterly).
(2) Risk Weighted Assets; the amount only relates to the credit risk.

To ensure a better understanding of the results for the period, below we comment on the contribution of the individual business areas to the Commercial & Corporate Banking Segment.

Factoring Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**90.187**	**81.186**	**9.001**	**11,1%**
Net commission income	**48.684**	**50.743**	**(2.059)**	**(4,1)%**
Other components of net banking income	16	(1.054)	1.070	(101,5)%
Net banking income	**138.887**	**130.875**	**8.012**	**6,1%**
Net credit risk losses/reversals	(12.181)	(5.897)	(6.284)	106,6%
Net profit (loss) from financial activities	**126.706**	**124.978**	**1.728**	**1,4%**
Operating costs	**(72.226)**	**(69.722)**	**(2.504)**	**3,6%**
Net allocations to provisions for risks and charges	(8.653)	349	(9.002)	n.s.
Pre-tax profit (loss) for the period from continuing operations	**45.827**	**55.605**	**(9.778)**	**(17,6)%**
Income taxes for the period relating to continuing operations	(15.650)	(17.826)	2.176	(12,2)%
Profit (loss) for the period	**30.177**	**37.779**	**(7.602)**	**(20,1)%**

During the first nine months of 2024, the contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment comes to 138,9 million Euro, up 6,1% on 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. Turnover for the first nine months of 2024, equal to 9,8 billion Euro, and receivables, which amount to 3,3 billion Euro, are in line with the respective figures for the same period of the previous year.

In the first nine months of 2024, net credit risk losses amount to 12,2 million Euro, an increase of 6,3 million Euro compared to the same period of the previous year, due to greater provisions made on impaired positions.

Therefore, net profit from financial activities amount to 126,7 million Euro (+1,4% on the same period of last year).

The increase in operating costs of 2,5 million Euro compared to 30 September 2023 is mainly due to higher personnel expenses related to the renewed National Collective Bargaining Agreement (NCBA). Costs related to

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the amortisation of intangible assets relating to investments in software functional to the digitalisation of customer relations and the related credit generation and management process are also on the rise.

At 30 September 2024, net allocations to provisions for risks and charges amount to a negative 8,7 million Euro, a worsening compared with the positive balance of 0,3 million Euro for the first nine months of 2023. The increase of 9,0 million Euro is mainly attributable to the previously-mentioned provisions to cover risks related to outstanding disputes over tax credits for Super Ecobonus and other building tax bonuses.

As regards the main equity aspects, at 30 September 2024, total net commitments for the Area amount to 2.361,1 million Euro, down 17,0% on the figure at 31 December 2023, mainly due to the reduction of performing exposures due to the seasonal nature of the factoring business.

The following table shows the gross and net amounts as well as the relevant coverage ratios of receivables due from customers by credit quality.

FACTORING AREA (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 30.09.2024						
Nominal amount	75.802	69.160	39.471	**184.433**	2.298.231	**2.482.664**
Losses	(63.376)	(36.864)	(1.029)	**(101.269)**	(20.262)	**(121.531)**
Carrying amount	12.426	32.296	38.442	**83.164**	2.277.969	**2.361.133**
Coverage ratio	*83,6%*	*53,3%*	*2,6%*	***54,9%***	*0,9%*	***4,9%***
POSITION AT 31.12.2023						
Nominal amount	72.273	66.458	88.817	**227.548**	2.752.772	**2.980.320**
Losses	(61.890)	(34.170)	(2.503)	**(98.563)**	(36.953)	**(135.516)**
Carrying amount	10.383	32.288	86.314	**128.985**	2.715.819	**2.844.804**
Coverage ratio	*85,6%*	*51,4%*	*2,8%*	***43,3%***	*1,3%*	***4,5%***

The Area's total net non-performing exposures amount to 83,2 million Euro, down 35,5% from the 31 December 2023 figure, almost entirely due to the decline in past-due exposures. In overall terms, despite a decrease in net impaired exposures, the coverage of impaired exposures increases from 43,3% to 54,9%, due to the increase in the proportion of non-performing loans and unlikely to pay to total non-performing loans.

KPIs	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Credit cost[1]	0,62%	1,13%	n.a.	(0,51)%
Net impaired assets/ Net receivables due from customers	3,5%	4,5%	n.a.	(1,0)%
Gross impaired assets/ Gross receivables due from customers	7,4%	7,6%	n.a.	(0,2)%
RWA [2]	2.337.981	2.737.066	(399.085)	(14,6)%

(1) This indicator is calculated comparing the "annualised" value of net credit risk losses/reversals at the end of the year over the annual average loans to customers (calculated quarterly).
(2) Risk Weighted Assets; the amount only relates to the credit risk.

The credit cost decreases from 1,13% at 31 December 2023 to 0,62% at 30 September 2024 (annualised figure).

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It should be noted that net non-performing exposures include a total of 38,4 million Euro in respect of the NHS, a significant reduction compared to the figure of 72,2 million Euro at 31 December 2023 due to the return to performing status during the third quarter of 2024 of a singularly significant position previously classified as non-performing past due.

Leasing Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**37.797**	**38.172**	**(375)**	**(1,0)%**
Net commission income	**8.049**	**8.239**	**(190)**	**(2,3)%**
Net banking income	**45.846**	**46.411**	**(565)**	**(1,2)%**
Net credit risk losses/reversals	(6.039)	(3.029)	(3.010)	99,4%
Net profit (loss) from financial activities	**39.807**	**43.382**	**(3.575)**	**(8,2)%**
Operating costs	**(26.728)**	**(23.874)**	**(2.854)**	**12,0%**
Net allocations to provisions for risks and charges	89	(530)	619	(116,8)%
Pre-tax profit (loss) for the period from continuing operations	**13.168**	**18.978**	**(5.810)**	**(30,6)%**
Income taxes for the period relating to continuing operations	(4.497)	(6.126)	1.629	(26,6)%
Profit (loss) for the period	**8.671**	**12.852**	**(4.181)**	**(32,5)%**

Net banking income from the Leasing Area amounts to 45,8 million Euro, essentially in line with the figure at 30 September 2023.

Net credit risk losses amount to 6,0 million Euro, making for growth of 3,0 million Euro compared to the same period of the previous year. The figure for the first nine months of 2024 is negatively impacted by individually significant write-downs in the operating rental unit of 1,6 million Euro and in the financial leasing unit of 1,4 million Euro.

Operating costs total 26,7 million Euro, showing an increase of 2,9 million Euro compared with 30 September 2023. Again, the increase is due to the combined effect of higher personnel expenses related to the renewed National Collective Bargaining Agreement (NCBA) as well as the amortisation of new software to support the business.

At 30 September 2024, the Area's total net loans come to 1.550,0 million Euro, essentially in line with 31 December 2023.

The following table shows the gross and net amounts as well as the relevant coverage ratios of receivables due from customers by credit quality.

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LEASING AREA (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 30.09.2024						
Nominal amount	11.253	15.529	11.852	**38.634**	1.551.969	**1.590.603**
Losses	(10.630)	(10.110)	(3.058)	**(23.798)**	(16.828)	**(40.626)**
Carrying amount	623	5.419	8.794	**14.836**	1.535.141	**1.549.977**
Coverage ratio	*94,5%*	*65,1%*	*25,8%*	***61,6%***	*1,1%*	***2,6%***
POSITION AT 31.12.2023						
Nominal amount	10.597	12.865	7.314	**30.776**	1.559.223	**1.589.999**
Losses	(9.910)	(7.894)	(2.244)	**(20.048)**	(17.748)	**(37.796)**
Carrying amount	688	4.972	5.070	**10.730**	1.541.475	**1.552.205**
Coverage ratio	*93,5%*	*61,4%*	*30,7%*	***65,1%***	*1,1%*	***2,4%***

Net impaired exposures increase by 38,3% compared to December 2023. The coverage ratio of impaired assets decreases from 65,1% to 61,6%, due to the higher incidence within the Area's impaired portfolio of positions classified as past due and unlikely to pay, while that of performing exposures remains stable at around 1,1%.

KPIs	AMOUNTS		CHANGE	
	30.09.2024	**31.12.2023**	**ABSOLUTE**	**%**
Credit cost(1)	0,52%	0,29%	n.a.	0,23%
Net impaired assets/ Net receivables due from customers	1,0%	0,7%	n.a.	0,3%
Gross impaired assets/ Gross receivables due from customers	2,4%	1,9%	n.a.	0,5%
RWA (2)	1.291.610	1.344.965	(53.355)	(4,0)%

(1) This indicator is calculated comparing the "annualised" value of net credit risk losses/reversals at the end of the year over the annual average loans to customers (calculated quarterly).
(2) Risk Weighted Assets; the amount only relates to the credit risk.

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Corporate Banking & Lending Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**55.193**	**55.889**	**(696)**	**(1,2)%**
Net commission income	**16.298**	**13.712**	**2.586**	**18,9%**
Other components of net banking income	13.073	12.197	876	7,2%
Net banking income	**84.564**	**81.798**	**2.766**	**3,4%**
Net credit risk losses/reversals	(14.440)	(24.945)	10.505	(42,1)%
Net profit (loss) from financial activities	**70.124**	**56.853**	**13.271**	**23,3%**
Operating costs	**(29.648)**	**(26.866)**	**(2.782)**	**10,4%**
Net allocations to provisions for risks and charges	4.981	(234)	5.215	n.s.
Pre-tax profit (loss) for the period from continuing operations	**45.457**	**29.753**	**15.704**	**52,8%**
Income taxes for the period relating to continuing operations	(15.524)	(9.726)	(5.798)	59,6%
Profit (loss) for the period	**29.933**	**20.027**	**9.906**	**49,5%**

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 in net interest income of 55,2 million Euro, due to the higher positive contribution of the Corporate Banking division of 3,1 million Euro, substantially offset by the lower contribution of the Pharmacies unit of 3,8 million Euro;
- higher net commissions of 2,6 million Euro (+18,9%), resulting from the Corporate Banking division of 2,1 million Euro and the Pharmacies unit of 0,5 million Euro;
- 0,9 million Euro increase in the contribution of other net banking income components, mainly due to the improved fair value measurement of securities in the Corporate Banking division.

Net credit risk losses amount to 14,4 million Euro, an improvement of 10,5 million Euro compared to 30 September 2023, which included prudential adjustments made to cover adverse macroeconomic conditions.

The increase in operating costs of 2,8 million Euro compared to 30 September 2023 is due to the combined effect of higher personnel expenses related to the renewed National Collective Bargaining Agreement (NCBA) as well as higher ICT and interbank network expenses to support customer operations.

The net releases for provisions for risks and charges for the period, amounting to 5,2 million Euro, refer to the settlement of disputes arising from the acquisition of the former Aigis Banca business unit.

At 30 September 2024, the Area’s total net receivables due from customers amount to 2.472,1 million Euro, up 105,6 million Euro on 31 December 2023.

The following table shows the gross and net amounts as well as the relevant coverage ratios of receivables due from customers by credit quality.

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CORPORATE BANKING & LENDING AREA (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 30.09.2024						
Nominal amount	25.194	112.879	21.856	**159.929**	2.410.613	**2.570.542**
Losses	(9.001)	(40.571)	(2.404)	**(51.976)**	(46.460)	**(98.436)**
Carrying amount	16.193	72.308	19.452	**107.953**	2.364.153	**2.472.106**
Coverage ratio	*35,7%*	*35,9%*	*11,0%*	***32,5%***	*1,9%*	***3,8%***
POSITION AT 31.12.2023						
Nominal amount	16.098	91.045	9.836	**116.979**	2.345.672	**2.462.651**
Losses	(8.115)	(34.606)	(1.102)	**(43.823)**	(52.369)	**(96.192)**
Carrying amount	7.983	56.439	8.734	**73.156**	2.293.304	**2.366.460**
Coverage ratio	*50,4%*	*38,0%*	*11,2%*	***37,5%***	*2,2%*	***3,9%***

The amount of net non-performing exposures at 30 September 2024, 108,0 million Euro, shows an increase of 34,8 million Euro on the value at year-end 2023. The increase is mainly due to the increase in impaired assets in the Lending unit with secured positions being upgraded to impaired, thus driving the overall reduction in the coverage of non-performing loans from 37,5% in December 2023 to 32,5% in September 2024.

KPIs	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Credit cost[(1)]	0,80%	1,18%	n.a.	(0,38)%
Net impaired assets/ Net receivables due from customers	4,4%	3,1%	n.a.	1,3%
Gross impaired assets/ Gross receivables due from customers	6,2%	4,8%	n.a.	1,4%
RWA [(2)]	1.924.036	1.731.423	192.613	11,1%

(1) This indicator is calculated comparing the "annualised" value of net credit risk losses/reversals at the end of the year over the annual average loans to customers (calculated quarterly).
(2) Risk Weighted Assets; the amount only relates to the credit risk.

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Npl Segment

This is the Banca Ifis Group's Segment dedicated to non-recourse acquisition and managing secured and unsecured distressed retail loans, as well as third party portfolio management. The business is closely associated with converting non-performing loans into performing assets and collecting them.

The table below shows the loans portfolio of the Npl Segment, by method of transformation and accounting criterion; the "interest on income statement" refers to the components of the net banking income deriving from the booking at amortised cost of the related loans portfolio; in particular, interest income is included from the amortised cost for 128,4 million Euro and other components of the net interest income from cash flow changes for 78,2 million Euro and the contribution of Revalea for 26,8 million Euro, as reported in the summary table of "Income statement data" below in this paragraph.

PROPRIETARY PORTFOLIO OF THE NPL SEGMENT (in thousands of Euro)	OUTSTANDING NOMINAL AMOUNT	CARRYING AMOUNTS	CARRYING AMNT / RES. NOM. AMNT	INTEREST ON INCOME STATEMENT	ERC	PREVAILING ACCOUNTING CRITERION
Portfolio acquired by Revalea	6.081.200	192.544	3,2%	26.766	460.578	
Cost	257.198	7.870	3,1%	-	221	Acquisition cost
Non-judicial	10.575.138	447.758	4,2%	54.596	735.116	
of which: Collective (curves)	*10.064.902*	*180.546*	*1,8%*	*(7.501)*	*298.188*	*Cost = NPV of flows from model*
of which: Plans	*510.236*	*267.212*	*52,4%*	*62.097*	*436.928*	*Cost = NPV of flows from model*
Judicial	6.421.877	888.094	13,8%	151.994	1.723.485	
of which: Other positions undergoing judicial processing	*1.183.087*	*130.241*	*11,0%*	-	*261.212*	*Acquisition cost*
of which: Writs, Property Attachments, Garnishment Orders	*2.139.528*	*629.635*	*29,4%*	*133.206*	*1.308.413*	*Cost = NPV of flows from model*
of which: Secured and Corporate	*3.099.262*	*128.218*	*4,1%*	*18.788*	*153.860*	*Cost = NPV of flows from model*
Total	**23.335.413**	**1.536.266**	**6,6%**	**233.356**	**2.919.400**	

The business can be divided up into three macro categories:

- post-acquisition management, when all information retrieval operations take place to help decide the most appropriate conversion method, the receivable is classified in a so-called "staging" area and recognised at cost (7,9 million Euro at 30 September 2024, compared to 14,1 million Euro at 31 December 2023), with no contribution to profit or loss. As a rule, 6-12 months later, the positions are directed towards the most appropriate form of management, depending on their characteristics;
- non-judicial operations, which deal with practices that can be handled through collection by settlement. Practices awaiting information about the most appropriate collection instrument are classified into a basin called "mass management" and at 30 September 2024 come to 180,5 million Euro as compared with 216,7 million Euro at 31 December 2023 (down 16,7%). Practices on which a realignment plan has been agreed and formalised come in at 267,2 million Euro at 30 September 2024 (273,2 million Euro at 31 December 2023);
- legal management, which covers all practices in the various stages of legal processing, ranging from obtaining a court order to a garnishment order. Practices awaiting the most appropriate legal action are included in the category of "Other positions undergoing judicial processing" and come to 130,2 million

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Euro at 30 September 2024 (175,1 million Euro at 31 December 2023); practices in phases of writ, attachment order and garnishment order are allocated to a specific basin, which records an increase of 4,0%, coming in at 629,6 million Euro as compared with the 605,2 million Euro recorded in December 2023. The judicial management basin include all “Secured and Corporate” positions of corporate banking origin or real estate, equal to 128,2 million Euro at 30 September 2024, down on the figure at 31 December 2023 (138,0 million Euro).

Finally, the Group seizes market opportunities in accordance with its business model by selling portfolios of positions for which no significant collections are expected.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**206.266**	**193.998**	**12.268**	**6,3%**
Net commission income	**(774)**	**2.497**	**(3.271)**	**(131,0)%**
Other components of net banking income	10.165	5.617	4.548	81,0%
- of which: Gains (losses) on the disposal of financial assets	*9.881*	*6.103*	*3.778*	*61,9%*
Net banking income	**215.657**	**202.112**	**13.545**	**6,7%**
Net credit risk losses/reversals	116	-	116	n.a.
Net profit (loss) from financial activities	**215.773**	**202.112**	**13.661**	**6,8%**
Operating costs	**(141.699)**	**(135.360)**	**(6.339)**	**4,7%**
Net allocations to provisions for risks and charges	1.730	138	1.592	n.s.
Non-recurring expenses and income	(556)	(1.320)	764	(57,9)%
Pre-tax profit (loss) for the period from continuing operations	**75.248**	**65.570**	**9.678**	**14,8%**
Income taxes for the period relating to continuing operations	(25.697)	(21.165)	(4.532)	21,4%
Profit (loss) for the period	**49.551**	**44.405**	**5.146**	**11,6%**

Net interest income, which amounts to 206,3 million Euro (+6,3%), consists of:

- interest income from amortised cost, i.e. the interest accruing at the original effective rate, which increases from 127,3 million Euro at 30 September 2023 to 128,4 million Euro at 30 September 2024, due to an increase in the average value of underlying assets, which have completed the documentary check phase and have left the staging phase;
- interest income on notes and other minority components, which shows a balance of 5,2 million Euro at 30 September 2024, a rise on the 3,5 million Euro recorded in the first nine months of 2023;
- Revalea’s contribution in terms of interest income and changes in cash flow of 27,2 million Euro, of which 26,8 million Euro was for interest on the proprietary portfolio;
- other components of net interest income from change in cash flow, which change from 85,2 million Euro of 30 September 2023 to 78,2 million Euro at 30 September 2024, and reflect the change in expected cash flows according to the collections made in respect of forecasts. This item is impacted on the one hand by the out-of-court management of 7 million Euro (29,1 million Euro at 30 September 2023), to which the repayment plans contribute 35,2 million Euro (down from the figure of 52,8 million Euro in the first nine months of 2023), partially offset by the negative effect of curve models of 28,1 million Euro (23,7 million Euro in the same period of the previous year). On the other hand, are legal expenses of 71,1 million Euro (56,1 million Euro at 30 September 2023), following actions for injunction, attachment and garnishment orders;

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- interest expense of 32,7 million Euro, up 10,8 million Euro on the balance recorded for the same period of the previous year.

Net commissions represent a cost of 0,8 million Euro at 30 September 2024, compared to revenues of 2,5 million Euro in the same period of the previous year. This change is mainly attributable to the portfolio management fees of the newly acquired Revalea paid to a third-party servicer.

During the first nine months of 2024, disposals of Npl portfolios were realised, in line with the Group's policy, from which net gains on disposal amount to 9,9 million Euro, up 3,8 million Euro compared with 30 September 2023.

In view of the above, the Npl Segment's net banking income comes to a total of 215,7 million Euro, up 13,5 million Euro on the same period of the previous year.

The Npl Segment's credit cost does not change significantly between the first nine months of 2024 and the same period of the previous year. The net releases for the period relate to the change in the provision for impairment losses on securitisation securities with underlying non-performing loans.

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 to both the renewed National Collective Bargaining Agreement (NCBA) and the increase in the workforce in the amount of 3,8 million Euro, as well as higher debt collection costs associated with the newly acquired Revalea.

The item "Non-recurring expenses and income" presents a net balance at 30 September 2024 that is negative for 556 thousand Euro and refers to non-recurring operating costs accrued in the first nine months of 2024 related to the acquisition of Revalea and its integration within the Banca Ifis Group and, specifically, the Npl Segment.

As a consequence of the foregoing, period profit of the Npl Segment is 49,6 million Euro, up 5,1 million Euro on the same period of last year.

Below is the breakdown of net loans by credit quality.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Net bad loans	1.221.668	1.276.812	(55.144)	(4,3)%
Net unlikely to pay	300.831	335.773	(34.942)	(10,4)%
Net non-performing past due exposures	3.753	4.029	(276)	(6,9)%
Total net non-performing exposures to customers (stage 3)	**1.526.252**	**1.616.614**	**(90.362)**	**(5,6)%**
Total net performing exposures (stages 1 and 2)	14.084	29.544	(15.460)	(52,3)%
- of which: proprietary loans acquired	*10.014*	*12.601*	*(2.587)*	*(20,5)%*
- of which: loans disbursed	*2.846*	*13.929*	*(11.083)*	*(79,6)%*
- of which: debt securities	*2*	*1.848*	*(1.846)*	*(99,9)%*
- of which: receivables related to servicer activities on behalf of third parties	*1.222*	*1.166*	*56*	*4,8%*
Total on-balance-sheet receivables due from customers	**1.540.336**	**1.646.158**	**(105.822)**	**(6,4)%**
- of which: owned receivables acquired measured at amortised cost	***1.536.266***	***1.629.215***	***(92.949)***	***(5,7)%***

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As regards the Npl Segment loans, 1.536,3 million Euro are represented by receivables classified as POCI - Purchased or originated credit-impaired -, the category introduced by the accounting standard IFRS 9. These are loans that were non-performing at the date they were acquired or originated. These receivables represent the Segment's core business. Excluded from this classification are new disbursements of performing loans, debt securities measured at amortised cost, and receivables related to servicer activities on behalf of third parties.

KPIs (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Nominal amount of receivables managed	23.335.413	26.147.455	(2.812.042)	(10,8)%
RWA (1)	1.773.421	1.898.366	(124.945)	(6,6)%

(1) Risk Weighted Assets; the amount only relates to the credit risk.

Total Estimated Remaining Collections (ERC), including the portfolio acquired from Revalea, amount to 2,9 billion Euro.

NPL SEGMENT NON-PERFORMING LOAN PORTFOLIO PERFORMANCE	30.09.2024	31.12.2023
Opening loan portfolio	**1.629.215**	**1.505.026**
Purchases (+)	7.909	230.589
- *of which from business combination*	-	*210.762*
Sales (-)	(27.805)	(21.244)
Gains (losses) on disposals (+/-)	9.880	10.377
Interest income from amortised cost (+)	138.300	170.423
Other components of interest from change in cash flow (+)	95.056	131.081
Collections (-)	(316.289)	(397.037)
Closing loan portfolio	**1.536.266**	**1.629.215**

Total purchases in the first nine months of 2024 come to 7,9 million Euro, down on the 16,7 million Euro of the first nine months of 2023. During the first nine months of 2024, sales of Npls were completed for a total price of 27,8 million Euro, which generated net profits of 9,9 million Euro.

The item "Collections", equal to 316,3 million Euro at 30 September 2024, includes the instalments collected during the period from re-entry plans, from garnishment orders and transactions carried out, and rises by 7,3% on the collections of 294,8 million Euro made at 30 September 2023.

At 30 September 2024, the portfolio managed by the Npl Segment includes 2.244.604 positions, for a nominal amount of 23,3 billion Euro.

Governance & Services and Non-Core Segment

The Segment comprises, among other things, the resources required for the performance of the services of the Strategic Planning, Finance, Operations, Human Resources, Communication, Marketing, Public Affairs & Sustainability functions, as well as the structures responsible for raising, managing and allocating financial resources to the operating Segments. This Segment also includes Proprietary Finance activities (proprietary securities desk) and Securitisation & Structured Solution activities (investment in Asset Backed Securities, instrumental to the realisation of securitisation transactions). The Segment also includes run-off portfolios originated from the former Interbanca as well as other personal loan portfolios.

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RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**14.956**	**40.261**	**(25.305)**	**(62,9)%**
Net commission income	**(2.691)**	**(892)**	**(1.799)**	**201,7%**
Other components of net banking income	34.617	11.792	22.825	193,6%
Net banking income	**46.882**	**51.161**	**(4.279)**	**(8,4)%**
Net credit risk losses/reversals	3.669	3.001	668	22,3%
Net profit (loss) from financial activities	**50.551**	**54.162**	**(3.611)**	**(6,7)%**
Operating costs	**(29.363)**	**(27.273)**	**(2.090)**	**7,7%**
Charges related to the banking system	(8.121)	(10.332)	2.211	(21,4)%
Net allocations to provisions for risks and charges	1.288	(218)	1.506	n.s.
Pre-tax profit (loss) for the period from continuing operations	**14.355**	**16.339**	**(1.984)**	**(12,1)%**
Income taxes for the period relating to continuing operations	(4.902)	(5.277)	375	(7,1)%
Profit (loss) for the period	**9.453**	**11.062**	**(1.609)**	**(14,5)%**
(Profit) loss for the period attributable to non-controlling interests	(1.217)	(1.384)	167	(12,1)%
Profit (loss) for the period attributable to the Parent Company	**8.236**	**9.678**	**(1.442)**	**(14,9)%**

The Segment's net banking income amounts to 46,9 million Euro, down 4,3 million Euro compared to 30 September 2023 and is determined in particular by the following dynamics:

- net interest income has decreased by 25,3 million Euro on the first nine months of 2023. The negative change is due for 7,4 million Euro to lesser interest income in the run-off portfolio of the Non-Core unit and for 18,4 million Euro to the cost of funding;
- other components of net banking income have increased by 22,8 million Euro, of which 6,2 million Euro was due to the sale of a PFS (Participating Financial Instrument) and 16,8 million Euro to the disposal of bond positions.

In terms of funding, "Rendimax Deposit Account" continues to constitute the Group's main source of finance, with a comprehensive cost of 99,4 million Euro, higher than the same period of last year (44,1 million Euro) due to the increase in average rates that go from 1,85% at 30 September 2023 to 3,01% at 30 September 2024 following the successful retail funding campaigns run late 2023 and early 2024. Average assets under management also increase, amounting to 4.417 million Euro at 30 September 2024 compared to 3.994 million Euro at 30 September 2023.

At 30 September 2024, the carrying amount of the bonds issued by Banca Ifis is 1.514,5 million Euro, up by 62,7 million Euro compared with 30 September 2023 and by 78,7 million Euro compared with 31 December 2023. During the period under review, a new issue was completed, which comes under the scope of the Group's EMTN issuance programme, worth a nominal amount of 400 million Euro to replace the bond with the same nominal amount that matured in June 2024 (for more details on the February 2024 issue, please refer to the section "Significant events occurred in the period"). In economic terms, interest expense accrued on all issues rose by 24,9 million Euro compared with the first nine months of 2023, coming in at a total of 71,5 million Euro at 30 September 2024.

Funding through securitisation, amounting to 1.565,2 million Euro at 30 September 2024, is down by 192,3 million Euro compared with the figure at 30 September 2023 and consists of:

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- securities issued by the SPV ABCP Programme for 871,9 million Euro relating to the senior tranche. It should be noted that at the end of June 2024, the restructuring of this securitisation, involving proprietary factoring receivables, was completed (for more details, please refer to the section "Significant events occurred in the period" below);
- securities issued by the SPV Indigo Lease for 400,3 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 293,1 million Euro relating to the senior tranche.

Accrued interest expense goes from 46,6 million Euro at 30 September 2023 to 60,8 million Euro at 30 September 2024 due to the effect of the change in the market curves to which they are indexed and to the placement, which took place in July 2023, of the Indigo Lease securitisation notes carried out with the restructuring of the transaction (the impact of which on the data compared at 30 September 2023, was therefore limited to the third quarter).

With reference to TLTRO operations, it should be noted that at 30 September 2024 the related funding had been fully repaid. Compared to the same period of the previous year, the following repayments were recorded:

- nominal 500 million Euro at the end of 2023;
- nominal 750 million Euro in March 2024;
- nominal 375 million Euro in June 2024;
- nominal 411,5 million Euro on 25 September 2024.

As a result of the dynamics depicted above (and in particular the aforementioned repayment of the TLTRO lines), the average funding cost as at 30 September 2024 stands at 3,91%, up from the figure of 3,08% for the average of the first nine months of 2023.

With regard to 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. As these costs are not related to specific immediate business topics, they were allocated to the Governance & Services and Non-Core Segment.

The item "Charges related to the banking system" includes the costs incurred during the period for the operation of the banking system's guarantee funds. At 30 September 2024, the item amounts to 8,1 million Euro and refers to 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 remainder to the subsidiary Banca Credifarma. The comparative balance at 30 September 2023, amounting to 10,3 million Euro, represents the cost of the annual contribution made to the "Interbank Deposit Protection Fund" (FITD) and the contribution under the accumulation plan of the Single Resolution Fund (SRF) made during the first nine months of 2023. 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 amount to a positive 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.

As a result of the above trends, the profit for the period of the Governance & Services and Non-Core Segment amounts to 9,5 million Euro, down from 11,1 million Euro (-1,6 million Euro) at 30 September 2023. Excluding the profit for the period attributable to minority interests, the Segment's contribution to the profit for the period attributable to the Parent Company amounts to 8,2 million Euro.

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As regards equity figures, at 30 September 2024, total net receivables for the Segment amount to 2.166,3 million Euro, essentially in line with the figure at 31 December 2023 (2.212,5 million Euro).

It should be noted that the Governance & Services and Non-Core Segment includes receivables, mainly impaired, belonging to the POCI category, mainly referring to non-performing exposures resulting from the business combinations performed by the Banca Ifis Group during previous financial years:

- net non-performing loans: 5,6 million Euro at 30 September 2024, down 2,3 million Euro on the figure recorded at 31 December 2023;
- net performing exposures: 11,9 million Euro at 30 September 2024, down 4,9 million Euro on the figure recorded at 31 December 2023.

The following table shows the gross and net amounts as well as the relevant coverage ratios of receivables due from customers by credit quality.

GOVERNANCE & SERVICES AND NON-CORE SEGMENT (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS (1)
POSITION AT 30.09.2024						
Nominal amount	7.803	21.258	8.805	**37.866**	2.146.987	**2.184.853**
Losses	(4.090)	(7.481)	(3.000)	**(14.571)**	(4.007)	**(18.578)**
Carrying amount	3.713	13.777	5.805	**23.295**	2.142.980	**2.166.275**
Coverage ratio	*52,4%*	*35,2%*	*34,1%*	***38,5%***	*0,2%*	***0,9%***
POSITION AT 31.12.2023						
Nominal amount	12.256	22.793	8.625	**43.674**	2.191.536	**2.235.210**
Losses	(6.595)	(8.241)	(3.240)	**(18.076)**	(4.626)	**(22.702)**
Carrying amount	5.661	14.552	5.385	**25.598**	2.186.910	**2.212.508**
Coverage ratio	*53,8%*	*36,2%*	*37,6%*	***41,4%***	*0,2%*	***1,0%***

(1) In the Governance & Services and Non-Core Segment, at 30 September 2024, there are government securities amounting to 1.425,4 million Euro (1.628,7 million Euro at 31 December 2023).

The coverage of non-performing exposures in the Segment is affected by receivables whose gross values already take into account the estimate of expected losses. The coverage of the portfolio as a whole at 30 September 2024 is essentially in line with the figure at 31 December 2023 and is mainly related to the Non-Core unit portfolio, which records lower coverage due to the presence of POCI receivables.

Net non-performing loans of the Governance & Services and Non-Core Segment are down 9,0% compared to the figure of December 2023, due to the reduction of the non-performing positions, while performing loans record a decrease of 2,0% mainly due to the effect of the disposals of debt securities carried out during the period under consideration, mainly relating to government securities (these securities went from 1.628,7 million Euro at 31 December 2023 to 1.425,4 million Euro at the end of September 2024).

The coverage of non-performing loans, influenced by the aforementioned POCI loans, is 38,5% at 30 September 2024 (41,4% at 31 December 2023).

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Information on international tensions

This section aims to provide a specific disclosure on the impacts generated by international tensions, above all with reference to the Middle East and the continuing Russia-Ukraine conflict.

At the Banca Ifis Group level, country risk monitoring is carried out on conflict-affected countries. This continuous monitoring has revealed a limited number of counterparties present in the areas involved by the current international tensions, to which modest direct credit exposures correspond. Similarly, no particular critical issues have been noted with regard to the trade receivables portfolio.

Furthermore, the Risk Management function, in addition to the risk factors usually considered, continues to deem it reasonable to include the current geopolitical tense situation as an additional risk factor.

In particular, this situation has been considered within the institutional documentation (RAF, Recovery Plan and ICAAP/ILAAP Report) from a twofold point of view: on the one hand as a worsening of severities and inclusion of new stress assumptions in the stress test framework, and on the other hand as an extra capital requirement against the strategic and sovereign risks assumed by the Group.

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Other information

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	30.09.2024[(1)]	31.12.2023[(2)]
Common Equity Tier 1 (CET1) capital	1.592.725	1.544.497
Tier 1 capital	1.593.652	1.545.424
Total Own Funds	**1.808.031**	**1.812.324**
Total RWAs	**9.695.327**	**10.390.002**
CET1 Ratio	**16,43%**	**14,87%**
Tier 1 Ratio	16,44%	14,87%
Total Capital Ratio	**18,65%**	**17,44%**

(1) 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.
(2) 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.

Consolidated own funds, risk-weighted assets and prudential ratios at 30 September 2024 were calculated based on the regulatory changes introduced by Directive No. 2019/878/EU (CRD V) and Regulation (EU) No. 876/2019 (CRR2), which amended the regulatory principles set out in Directive No. 2013/36/EU (CRD IV) and Regulation (EU) No. 575/2013 (CRR), as subsequently amended, which were transposed in the Bank of Italy's Circular No. 285.

For the purposes of calculating capital requirements at 30 September 2024, in continuity with what has been done since 30 June 2020, the Banca Ifis Group has applied the temporary support provisions still in force at this reporting date, as set out in EU Regulation No. 873/2020 (the "quick-fix").

New developments in Q3 2024 include the application of the temporary treatment of unrealised gains and losses measured at fair value for exposures to central governments classified in the FVOCI category, reintroduced by EU Regulation No. 1623/2024 as an amendment to Article 468 of the CRR.

EU Regulation No. 873/2020, relative to the transitional provisions aimed at attenuating the impact of the introduction of IFRS 9 on Own funds - defines for entities the possibility of including in their CET1 a portion of the accruals gained for expected credit losses, through different operating methods of the transitional period of reference (1 January 2018 - 31 December 2019 and 1 January 2020 - 31 December 2024).

Please note that, at the time, Banca Ifis had already informed the Bank of Italy of its decision to apply the transitional arrangements for the entire period.

The inclusion in CET1 takes place as for last year, gradually and by applying the following factors:

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TEMPORARY TREATMENT IFRS 9 2018-2019	TEMPORARY TREATMENT IFRS 9 2020-2024
0,70 from 1 January 2020 to 31 December 2020	1,00 from 1 January 2020 to 31 December 2020
0,50 from 1 January 2021 to 31 December 2021	1,00 from 1 January 2021 to 31 December 2021
0,25 from 1 January 2022 to 31 December 2022	0,75 from 1 January 2022 to 31 December 2022
0,00 from 1 January 2023 to 31 December 2023	0,50 from 1 January 2023 to 31 December 2023
0,00 from 1 January 2024 to 31 December 2024	0,25 from 1 January 2024 to 31 December 2024

At 30 September 2024, taking into account the transitional treatment adopted to mitigate the impacts of IFRS 9 on CET1, Own funds amount to 1.808,0 million Euro, recording a negative change of 4,3 million Euro compared to 31 December 2023. This change is mainly attributable to the following components:

- inclusion of profits generated at 30 September 2024, net of the interim dividend and of the foreseeable dividend in accordance with Article 2 of EU Regulation No. 241/2014: the positive change amounts to 50 million Euro;
- the lesser reduction of other items of income to be allocated to the valuation reserve of reserves on securities classified at fair value through other comprehensive income (FVOCI): the positive change amounts to 13 million Euro;
- lesser deduction of investments in intangible assets, determining a positive change of 7 million Euro;
- the reduction of the transitional filter introduced to mitigate the impact of the FTA of IFRS 9 (Art. 473-bis CRR) in the amount of 17,3 million Euro, partially offset by the temporary introduction of the filter on the OCI reserve on government securities in the amount of 14 million Euro;
- higher deduction from the CET1, deriving from the increase in receivables within the scope of what is termed "Calendar provisioning", for 15,8 million Euro;
- negative change in other reserves in the amount of 3,2 million Euro;
- the reduced eligibility for Tier 2 capital of the subordinated loan with a maturity of less than 5 years, mainly due to the joint effect of the application of the amortisation under Article 64 of the CRR and the deduction of the repurchase obligation authorised by the Bank of Italy, which has entailed a total reduction of 52,5 million Euro.

The negative change in shareholders' equity due to the aforementioned phenomena was mitigated by a reduction in risk-weighted assets (RWA) of 694,7 million Euro, as described below.

Here below is the breakdown by Segment of risk-weighted assets (RWA).

RISK-WEIGHTED ASSETS: BREAKDOWN (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT	CONS. GROUP TOTAL
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*			
RWA for credit risk	**5.553.627**	***2.337.981***	***1.291.610***	***1.924.036***	**1.773.421**	**1.194.296**	**8.521.344**
RWA for market risk	X	*X*	*X*	*X*	X	X	76.588
RWA for operational risk (basic indicator approach)	X	*X*	*X*	*X*	X	X	1.027.943
RWA for credit valuation adjustment risk	X	*X*	*X*	*X*	X	X	69.452
Total RWAs	**X**	***X***	***X***	***X***	**X**	**X**	**9.695.327**

At 30 September 2024, taking into account the transitional treatment adopted to mitigate the impact of IFRS 9, risk-weighted assets (RWAs) amount to 9.695,3 million Euro, a decrease of 694,7 million Euro compared to December 2023. Specifically, please note:

- a reduction in credit risk of 728,2 million Euro mainly attributable to the following changes:
  - a reduction of 350 million Euro recorded on the corporate portfolio due to a seasonal decrease in loans on the Factoring Area;
  - a reduction of 222,7 million Euro related to the exposure class Institutions, mainly due to the decrease in repurchase agreements and securities transactions in the first half of 2024 and, starting in the third quarter of 2024, to the introduction of the credit ratings of the agency (ECAI) Fitch Ratings Ireland Limited;
  - a reduction of 196,3 million Euro in the "Exposures in default" portfolio, the effect of which is due to a decrease in volumes in the Npl Segment (-106 million Euro);
  - net changes in the other exposure classes, the effect of which amounts to a total increase of 40,8 million Euro;
- an increase in market risk and Credit Valuation Adjustment (CVA) components, totalling 33,5 million Euro, due to an increase in derivative transactions.

Following the above-described dynamics, at 30 September 2024, the CET1 ratio stands at 16,43%, up 156 basis points from 31 December 2023, while the Total Capital ratio stands at 18,65%, up 121 basis points compared with 31 December 2023.

At 30 September 2024, not considering the filter related to the IFRS 9 transitional regime nor taking into account the prudential filter for exposures to central governments classified in the FVOCI category, Fully Loaded Own Funds amount to 1.785,3 million Euro and consequently the RWA when fully applied, come to 9.695,5 million Euro.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS WITHOUT IFRS 9 TRANSITIONAL ARRANGEMENTS (in thousands of Euro)	AMOUNTS	
	30.09.2024(1)	31.12.2023(2)
Common Equity Tier 1 (CET1) capital	1.569.960	1.518.451
Tier 1 capital	1.570.887	1.519.378
Total Own Funds	**1.785.267**	**1.786.278**
Total RWAs	**9.695.543**	**10.386.270**
CET1 Ratio	**16,19%**	**14,62%**
Tier 1 Ratio	16,20%	14,63%
Total Capital Ratio	**18,41%**	**17,20%**

(1) 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.
(2) 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.

By way of comparison with the results achieved, on 29 January 2024, the Banca Ifis Group disclosed the final decision that the Bank of Italy adopted, following the annual SREP, regarding the new capital requirements that the Group has to comply with, at a consolidated level, for 2024 and which are set out below (see also the section "Significant events occurred in the period"), including 2,5% by way of capital conservation buffer (RCC):

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- 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 (summarised in the table below) 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%.

Overall Capital Requirement (OCR) 2024						Pillar 2 Guidance	Total
	Art. 92 CRR	SREP	TSCR	RCC (1)	OCR Ratio	P2G	OCR and P2G
CET1	4,50%	1,00%	5,50%	2,50%	8,00%	1,00%	9,00%
Tier 1	6,00%	1,40%	7,40%	2,50%	9,90%	1,00%	10,90%
Total Capital	8,00%	1,80%	9,80%	2,50%	12,30%	1,00%	13,30%

(1) RCC: capital conservation buffer.

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

Procedure for determining the minimum requirement for liabilities subject to bail-in

The minimum own funds and eligible liabilities (MREL) requirements communicated by the Bank of Italy to the Parent Company Banca Ifis and its subsidiary Banca Credifarma are shown in the table below.

MREL requirement	
Banca Ifis	Banca Credifarma
14,81% (1) of the Total Risk Exposure Amount (TREA)	8% (1) of the Total Risk Exposure Amount (TREA)
4.26% of Leverage Ratio Exposure	3% of Leverage Ratio Exposure

(1) The MREL requirement in terms of TREA includes "on top" the combined capital requirement component of 2,50% (including only the capital conservation buffer to which the quarterly determined countercyclical buffer is added).

At 30 September 2024, following the monitoring process, both indicators were easily met.

Group liquidity position and coefficients

During the first nine months of 2024, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance with respect to retail funding. The Group has liquidity at 30 September 2024 (in reserves and free assets that can be financed in the ECB) such as to enable it to easily respect the LCR and NSFR limits (with indexes more than of 900% and 100% respectively).

Disclosure regarding sovereign debt

Consob Communication No. DEM/11070007 of 5 August 2011, drawing on ESMA document No. 2011/266 of 28 July 2011, regulated disclosures by listed companies of their exposures to sovereign debt and market performance, the management of exposures to sovereign debt, and their operating and financial impact.

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In accordance with the requirements of the aforementioned Consob Communication, it should be noted that at 30 September 2024 the carrying amount of sovereign debt exposures is 1.727 million Euro, net of the negative valuation reserve of 14 million Euro.

These securities, with a nominal amount of 1.774 million Euro have a weighted residual average life of 52 months.

The fair values used to measure the exposures to sovereign debt securities at 30 September 2024 are considered to be Level 1.

Pursuant to the Consob Communication, besides the exposure to sovereign debt, it is also necessary to consider receivables disbursed to and due from the Italian National Administration. These exposures at 30 September 2024 amount to 292 million Euro, of which 78 million Euro related to tax credits.

Adoption of Opt-Out Option pursuant to Consob resolution No. 18079 of 20 January 2012

On 21 January 2013, Banca Ifis's Board of Directors resolved, as per Article 3 of Consob Regulation No. 18079 of 20 January 2012, to adopt the opt-out option pursuant to Article 70, paragraph 8 and Article 71, paragraph 1-bis, of Consob Issuers' Regulation, thus exercising the right to depart from the obligations to publish information documents required in connection with significant operations like mergers, spin-offs, capital increases by contribution in kind, acquisitions and sales.

Report on Corporate Governance and Shareholding Structure

The latest version of the Report on Corporate Governance and Shareholding Structure, prepared in accordance with the third paragraph of Art. 123-*bis* of Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance, or "TUF"), is that prepared for FY 2023 in the form of a separate report from the Directors' Report on the Group, approved by the Board of Directors on 7 March 2024 and published together with the Consolidated Financial Statements for the year ended 31 December 2023. This document is also made available in the "Corporate Governance" Section, subsection "Reports and Documents", section "Corporate Governance Organisation and Structures" on the corporate website www.bancaifis.it.

The "Report on Corporate Governance and Shareholding Structure" has been drawn up according to the format provided by Borsa Italiana.

Remuneration policies

The "Corporate governance" section, subsection "Remuneration" of the corporate website www.bancaifis.it includes the "2024 Report on Remuneration Policy and Remuneration Paid", drafted pursuant to Article 123-ter of the TUF, where the remuneration policy for the Banca Ifis Group is illustrated, which is substantially in line with last year's.

Privacy measures

The Banca Ifis Group has consolidated a project to comply with (EU) Regulation No. 2016/679 in order to incorporate the relevant regulatory provisions into its internal privacy management model, planning a series of both technological and organisational steps that will concern all the Group's companies.

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Parent company management and coordination

Pursuant to Articles 2497 to 2497-sexies of the Italian Civil Code, it should be noted that the parent company La Scogliera S.A. does not carry out any management and coordination activities with respect to Banca Ifis, notwithstanding Article 2497-sexies of the Italian Civil Code, since the management and coordination of investee financial companies and banks is expressly excluded from La Scogliera's corporate purpose.

National consolidated tax regime

The companies Banca Ifis S.p.A., Ifis Npl Investing S.p.A., Ifis Rental Services S.r.l., Ifis Npl Servicing S.p.A. and Cap.Ital.Fin. S.p.A., together with the Ultimate Parent company La Scogliera S.A., have opted for the application of group taxation (tax consolidation) in accordance with Articles 117 et seq. of Italian Presidential Decree No. 917/86.

Transactions between these companies were regulated by means of a private written agreement between the parties. This agreement will lapse after three years.

Adhesion to the tax consolidation allows the taxable income of the participating companies to be offset against each other (using the losses and the aid for economic growth ("ACE") realised during the adhesion period).

As envisaged by applicable regulations, adhering entities have an address for the service of notices of documents and proceedings relating to the tax periods for which this option is exercised at the office of La Scogliera S.A., the SECONDARY Italian branch.

Under this tax regime, the taxable profits and tax losses reported by each entity for the first nine months of 2024 are transferred to the consolidating company La Scogliera.

The receivable from La Scogliera for the tax consolidation, recorded under "Other assets", amounts to 10,3 million Euro, while the related payable, recorded under "Other liabilities" in the Consolidated Interim Report, amounts to 20,9 million Euro at 30 September 2024, of which 17,8 million Euro accrued to the subsidiary Ifis Npl Investing. The net debt to La Scogliera for the tax consolidation amounts therefore to 10,6 million Euro.

Transactions on treasury shares

At 31 December 2023, Banca Ifis held 1.343.018 treasury shares recognised at a market value of 21,8 million Euro and a nominal amount of 1.343.018 Euro.

During the first nine months of 2024, Banca Ifis, as variable pay, awarded the Top Management 101.703 treasury shares at an average price of 12,55 Euro, for a total of 1,2 million Euro and a nominal amount of 101.703 Euro, making profits of 419 thousand Euro that, in compliance with IAS/IFRS standards, were recognised under the premium reserve.

During the period, there were no further transactions on treasury shares other than those mentioned above.

Considering the above operations, the stock at 30 September 2024 is 1.241.315 treasury shares, with an equivalent value of 21,0 million Euro and a nominal amount of 1.241.315 Euro.

It should be noted that the Banca Ifis Group does not hold, directly or indirectly, any shares in the Ultimate Parent company La Scogliera S.A..

Transactions with Group companies and related parties

In compliance with the provisions of Consob Resolution No. 17221 of 12 March 2010, as subsequently amended, as well as the prudential Supervisory provisions for banks in Circular No. 285 of 17 December 2013 of the Bank of Italy, part three, chapter 11 (on "Risk activities and conflicts of interest towards related parties"), any transactions with related parties and relevant parties are carried out pursuant to the procedure approved by the Board of Directors called the "Group Policy covering transactions with related parties, associates and corporate representatives pursuant to Art. 136 of the Consolidated Law on Banking", the latest update of which is available to the public in the "Corporate Governance" section of the corporate website www.bancaifis.it.

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During the first nine months of 2024, no significant transactions with related parties were undertaken outside the scope of the Consolidated Interim Report at 30 September 2024.

Atypical or unusual transactions

During the first nine months of 2024, the Banca Ifis Group did not carry out atypical or unusual transactions as defined by Consob Communication No. 6064293 of 28 July 2006.

The Bank's offices

The Bank has its registered office in Venice-Mestre, as well as offices of the Chairmanship in Rome and operational offices in Milan. There are no branch offices.

Human resources

At 30 September 2024, the Banca Ifis Group had 2.001 employees (1.940 at 31 December 2023). Below is a breakdown of the workforce by classification level.

GROUP EMPLOYEES BY CLASSIFICATION LEVEL	30.09.2024		31.12.2023		CHANGES	
	Number	%	Number	%	Number	%
Senior managers	98	4,9%	100	5,2%	(2)	(2,0)%
Middle managers	650	32,5%	608	31,3%	42	6,9%
Clerical staff	1.253	62,6%	1.232	63,5%	21	1,7%
Total Group employees	**2.001**	**100,0%**	**1.940**	**100,0%**	**61**	**3,1%**

Research and development activities

Due to its activity, the Group did not implement any research and development programmes during the period.

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Reclassified Consolidated Financial Statements

Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	30.09.2024	31.12.2023
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
of which:		
- goodwill	*38.020*	*38.020*
Tax assets:	227.446	285.435
a) current	*19.522*	*46.601*
b) deferred	*207.924*	*238.834*
Other assets	385.006	444.692
Total assets	**13.046.042**	**14.051.361**

LIABILITIES AND EQUITY (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
Total liabilities and equity	**13.046.042**	**14.051.361**

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Reclassified Consolidated Income Statement

ITEMS OF THE INCOME STATEMENT (in thousands of Euro)	30.09.2024	30.09.2023
Net interest income	**404.399**	**409.506**
Net commission income	**69.566**	**74.299**
Other components of net banking income	57.871	28.552
Net banking income	**531.836**	**512.357**
Net credit risk losses/reversals	(28.875)	(30.870)
Net profit (loss) from financial activities	**502.961**	**481.487**
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
Operating costs	**(299.664)**	**(283.095)**
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)
Pre-tax profit (loss) for the period from continuing operations	**194.055**	**186.245**
Income taxes for the period relating to continuing operations	(66.270)	(60.120)
Profit (loss) for the period	**127.785**	**126.125**
(Profit) loss for the period attributable to non-controlling interests	(1.217)	(1.384)
Profit (loss) for the period attributable to the Parent Company	**126.568**	**124.741**

Consolidated Statement of Comprehensive Income

CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	30.09.2024	30.09.2023
Profit (loss) for the period	**127.785**	**126.125**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**(410)**	**(4.540)**
Equity securities measured at fair value through other comprehensive income	(487)	(4.715)
Hedging of equity securities measured at fair value through other comprehensive income	(55)	-
Defined benefit plans	132	175
Other comprehensive income, net of taxes, to be reclassified to profit or loss	**4.900**	**4.711**
Exchange differences	648	270
Financial assets (other than equity securities) measured at fair value through other comprehensive income	4.252	4.441
Other comprehensive income, net of taxes	**4.490**	**171**
Comprehensive Income	**132.275**	**126.296**
Consolidated comprehensive income attributable to non-controlling interests	(1.217)	(1.385)
Consolidated comprehensive income attributable to the Parent Company	**131.058**	**124.911**

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Notes

Accounting policies

Statement of compliance with IFRS

This Consolidated Interim Report at 30 September 2024 of the Banca Ifis Group was prepared in accordance with Borsa Italiana's Rules for companies listed on the STAR segment (article 2.2.3 paragraph 3), which require publishing an interim report within 45 days of the end of each quarter, and considering Borsa Italiana's notice No. 7587 of 21 April 2016. Therefore, in accordance with said notice, concerning the contents of the Consolidated Interim Report, the Group made reference to the pre-existing paragraph 5 of Article 154-ter of Italian Legislative Decree No. 58, dated 24 February 1998.

The Consolidated Interim Report at 30 September 2024 does not include all the information required for the preparation of the annual consolidated financial statements in accordance with IFRS accounting standards. For this reason, it is necessary to read the Consolidated Interim Report together with the consolidated financial statements at 31 December 2023. The preparation criteria, the valuation and consolidation criteria and the accounting standards adopted in the preparation of this Consolidated Interim Report comply with the accounting standards adopted in the preparation of the consolidated financial statements at 31 December 2023, with the exception of the adoption of the new or amended accounting standards issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as set out below.

IFRS refers to international accounting standards IASs/IFRSs in force at said date issued by the International Accounting Standards Board (IASB), together with the relevant interpretations (IFRICs and SICs). These standards were endorsed by the European Commission in accordance with the provisions in Article 6 of European Union Regulation No. 1606/2002. This regulation was implemented in Italy with Italian Legislative Decree No. 38 of 28 February 2005.

The currency of account is the Euro and, if not indicated otherwise, amounts are expressed in thousands of Euro. The tables in the Notes may include rounded amounts; any inconsistencies and/or discrepancies in the data presented in the different tables are due to these rounding differences.

Assets and liabilities, as well as costs and revenues, have been offset only if required or permitted by an accounting standard or the relevant interpretation.

The accounting standards used for the preparation of the Consolidated Interim Report are those adopted for the preparation of the Consolidated financial statements as at 31 December 2023, to which reference should be made for an explanation of the criteria for the recognition, classification, measurement, derecognition and recording of income and expense items in the financial statements.

Basis of preparation

The Consolidated Interim Report consists of:

- the reclassified consolidated financial statements (consisting of the reclassified consolidated balance sheet, the reclassified consolidated income statement and the consolidated statement of comprehensive income);
- a specific Note.

in addition, they contain the Interim Directors' Report on the Group.

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The Consolidated Interim Report has been drawn up according to the provisions of Art. 154-ter of Italian Legislative Decree No. 58 of 24 February 1998 and in application of the general principles of IAS 1, also referring to IASB's Framework for the preparation and presentation of financial statements, with particular attention to the fundamental principles of substance over legal form, the concepts of relevance and materiality of information, and the accruals and going concern accounting concepts.

In the reclassified consolidated accounts, items that do not show any amounts for the reference period and period used for comparison.

The reclassified consolidated accounts provide, in addition to the accounting data at 30 September 2024, comparative information relating, for the reclassified balance sheet balances, to the last approved Consolidated Financial Statements at 31 December 2023 and, for the balances relating to the reclassified Income Statement and Statement of Comprehensive Income, those of the Consolidated Interim Report at 30 September 2023.

It should be noted that in connection with the acquisition of Revalea S.p.A. finalised on 31 October 2023 and its inclusion in the scope of consolidation, the figures for the first nine months of 2024 and in particular the income statement figures may not be fully comparable with those of the same period of the previous year. However, it should be noted that in the comments to the individual items, the contribution of the company acquired is presented, where relevant.

The currency of account is the Euro and, if not indicated otherwise, amounts are expressed in thousands of Euro. The tables in the Notes may include rounded amounts; any inconsistencies and/or discrepancies in the data presented in the different tables are due to these rounding differences.

The recognition, measurement and derecognition criteria for assets and liabilities, and the procedures for recognising revenues and costs, adopted in the Consolidated Interim Report at 30 September 2024 have remained substantially unchanged from those adopted for the preparation of the 2023 Financial Statements of the Banca Ifis Group, to which reference is made.

The accounting data used to prepare the Consolidated Interim Report are those prepared by the subsidiaries with reference to 30 September 2024, adjusted, where necessary, to adapt them to the accounting standards used by the Group. If the information required by the accounting standards is deemed insufficient to give a true and fair view, additional information necessary for this purpose is provided in the Notes to the Financial Statements.

The Consolidated Interim Report is prepared in accordance with the following general principles:

- business continuity (see details in the following section);
- recognition on an accrual basis;
- consistency of presentation: the presentation and classification of items is kept constant from one period to the next unless a standard or interpretation requires a change in presentation or another presentation or classification is no longer appropriate. In the latter case, the Notes to the financial statements provide information on the changes made compared to the previous period;
- substance over form: transactions and other events are recognised and represented in accordance with their substance and economic reality and not merely according to their legal form;
- offsetting: assets and liabilities, income and expenses are not offset unless permitted or required by an international accounting standard or interpretation thereof;
- comparative information: for each item of the reclassified balance sheet and reclassified income statement, comparative information for the previous period is provided, unless an accounting standard or interpretation permits or provides otherwise. Figures for the previous period may be adjusted where necessary to ensure comparability of information for the reference period. Any non-comparability,

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adjustment or impossibility of the latter are reported and commented on in the Notes to the Financial Statements.

Information on the business as a going concern

The Bank of Italy, Consob and Isvap, with document No. 2 issued on 6 February 2009 ("Disclosure in financial reports on the going concern assumption, financial risks, asset impairment tests and uncertainties in the use of estimates"), together with the subsequent document No. 4 of 4 March 2010, require directors to assess with particular accuracy the existence of the company as a going concern, as per IAS 1.

Unlike in the past, present conditions on financial markets and in the real economy, together with the uncertainties in short-term forecasts, require particularly accurate assessments of the going concern assumption, as records of the Group's profitability and easy access to financial resources may no longer be sufficient in the current context.

In this regard, having examined the risks arising from the current macroeconomic environment, including in light of the current situation, geopolitical tensions and related possible macroeconomic implications including those arising from international tensions related to the Middle East, the directors believe that the Banca Ifis Group has a reasonable expectation of continuing to operate in the foreseeable future. Indeed, the directors have not noted any risks or uncertainties that would cast doubt on the company's ability to continue as a going concern, and therefore the Consolidated Interim Report at 30 September 2024 has been prepared on a going concern basis. For more details on the analyses conducted with reference to international tensions, please refer to the specific section of the Group's Interim Report on Operations entitled "Information on international tensions".

Consolidation scope and methods

The Consolidated Interim Report of the Banca Ifis Group has been drawn up on the basis of the accounts at 30 September 2024 prepared by the directors of the companies included in the consolidation scope on the basis of homogeneous accounting standards.

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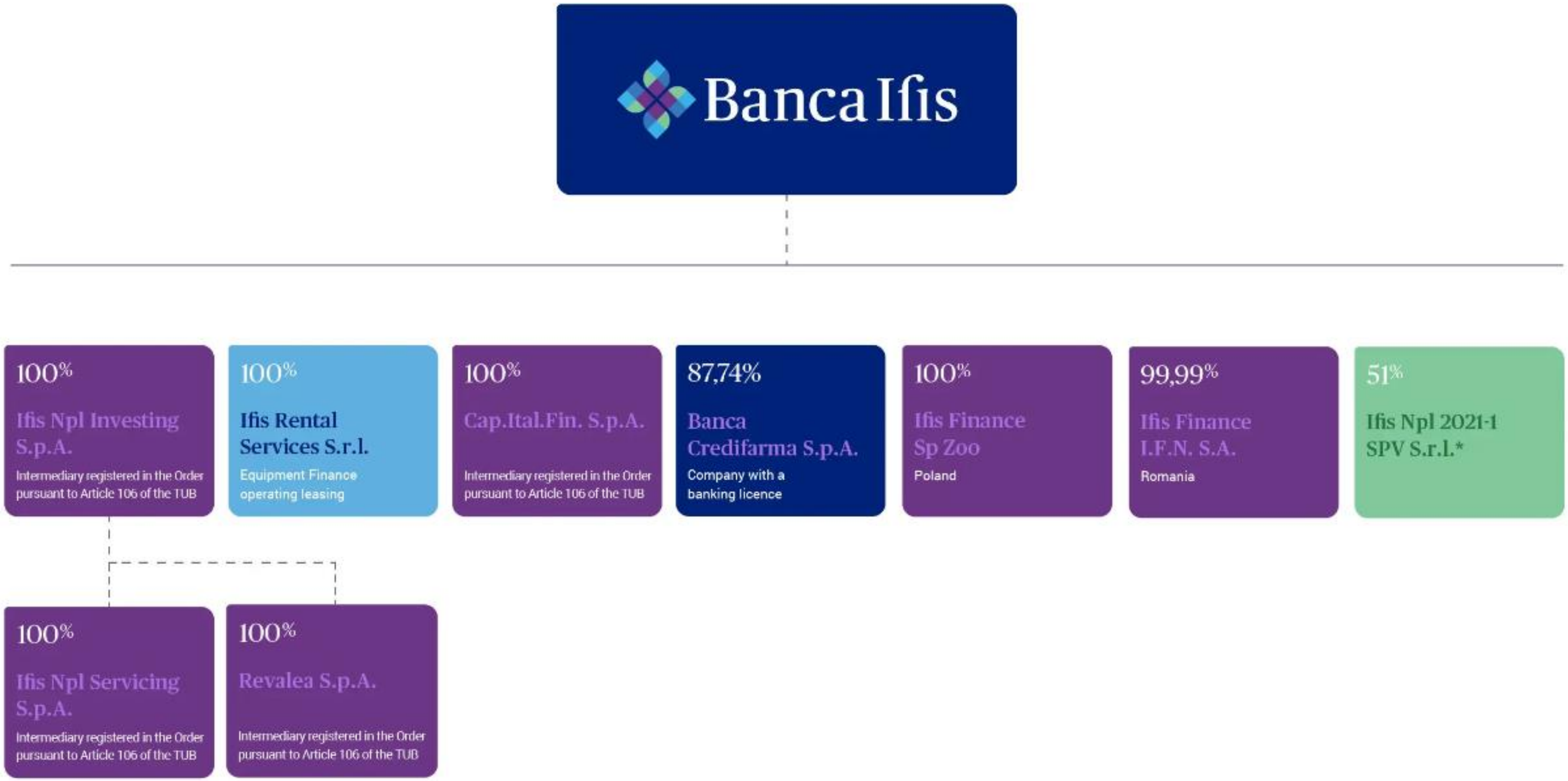

● Company with banking licence ● Financial company ● Company not belonging to the Banking Group ● Securitization vehicle

* SPV set up in accordance with Law no. 130 of 1999 for the purposes of securing a loan

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Equity investments in exclusively controlled companies

COMPANY NAME	HEAD OFFICE	REGISTERED OFFICE	TYPE (1)	INVESTMENT		VOTING RIGHTS % (2)
				PARTICIPATING ENTITY	SHARE %	
Ifis Finance Sp. z o.o.	Warsaw	Warsaw	1	Banca Ifis S.p.A.	100%	100%
Ifis Rental Services S.r.l.	Milan	Milan	1	Banca Ifis S.p.A.	100%	100%
Ifis Npl Investing S.p.A.	Florence, Milan and Mestre (Province of Venice)	Mestre (Province of Venice)	1	Banca Ifis S.p.A.	100%	100%
Cap.Ital.Fin. S.p.A.	Naples	Naples	1	Banca Ifis S.p.A.	100%	100%
Ifis Npl Servicing S.p.A.	Mestre (Province of Venice)	Mestre (Province of Venice)	1	Ifis Npl Investing S.p.A.	100%	100%
Revalea S.p.A.	Milan	Milan	1	Ifis Npl Investing S.p.A.	100%	100%
Ifis Finance I.F.N. S.A.	Bucharest	Bucharest	1	Banca Ifis S.p.A.	99,99%	99,99%
Banca Credifarma S.p.A.	Rome	Rome	1	Banca Ifis S.p.A.	87,74%	87,74%
Ifis NPL 2021-1 SPV S.r.l.	Conegliano (Province of Treviso)	Conegliano (Province of Treviso)	1	Banca Ifis S.p.A.	51%	51%
Indigo Lease S.r.l.	Conegliano (Province of Treviso)	Conegliano (Province of Treviso)	4	Other	0%	0%
Ifis ABCP Programme S.r.l.	Conegliano (Province of Treviso)	Conegliano (Province of Treviso)	4	Other	0%	0%
Emma S.P.V. S.r.l.	Conegliano (Province of Treviso)	Conegliano (Province of Treviso)	4	Other	0%	0%

Key
(1) Type of relationship:
1 = majority of voting rights in the Annual Shareholders' Meeting
2 = dominant influence in the Annual Shareholders' Meeting
3 = agreements with other shareholders
4 = other forms of control
5 = joint management pursuant to Article 39, paragraph 1, Italian Legislative Decree No. 136/2015
6 = joint management pursuant to Article 39, paragraph 2, Italian Legislative Decree No. 136/2015
(2) Voting rights in the Annual Shareholders' Meeting, distinguishing between effective and potential voting rights

All the companies were consolidated using the line-by-line method.

With regard to controlled companies, classed as such on the basis of that explained below and included in the scope of consolidation as at 30 September 2024, there were no changes compared to the situation at the end of 2023.

The financial statements of the Polish subsidiary Ifis Finance Sp. z o.o. and of the Romanian subsidiary Ifis Finance I.F.N. S.A., both expressed in foreign currencies are translated into Euro by applying the period-end exchange rate to assets and liabilities. As for the income statement, the items are translated using the average exchange rate. Exchange differences arising from the application of different exchange rates for the statement of financial position and the income statement, as well as the exchange differences from the translation of each investee company's equity, are recognised under capital reserves.

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Assets and liabilities, off-balance-sheet transactions, income and expenses, as well as the profits and losses arising from relations between the consolidated companies are all eliminated.

With reference to the subsidiary Revalea S.p.A., acquired on 31 October 2023, it is specified that the allocation of the acquisition cost, equal to 100 million Euro, through the recognition at fair value of the assets and liabilities of the acquired entity, including any intangible assets not previously recognised in the company's financial statements, was made definitively at 30 September 2024. The provisional allocation made for recognition in the Consolidated Financial Statements at 31 December 2023 is confirmed. The table below shows the final allocation of the purchase price.

Description (in thousands of Euro)	Carrying amount at 31.10.2023	Fair value adjustment	Assets and liabilities acquired at 31.10.2023
Cash and cash equivalents	36.932	-	36.932
Financial assets measured at amortised cost	229.604	(18.842)	210.762
Property, plant and equipment	39	-	39
Intangible assets	299	(299)	-
Tax assets	7.539	6.784	14.323
Other assets	1.390	(1.231)	159
Assets acquired	**275.803**	**(13.588)**	**262.215**
Financial liabilities at amortised cost	(153.163)	6.999	(146.164)
Tax liabilities	(68)	(2.315)	(2.383)
Other liabilities	(3.903)	-	(3.903)
Post-employment benefits	(199)	-	(199)
Provisions for risks and charges	(887)	(142)	(1.029)
Liabilities assumed	**(158.220)**	**4.542**	**(153.678)**
Net assets (A)	**117.583**	**(9.046)**	**108.537**
Price of the acquisition, disbursed using liquid funds (B)			**100.001**
Non-controlling interests (C)			**-**
Negative value difference (gain on bargain purchase) from the acquisition (D=B+C-A)			**(8.536)**
Analysis of acquisition cash flow			
Price of the acquisition, disbursed using liquid funds			(100.001)
Net funds acquired with the subsidiary (included in cash flows of investments)			36.932
Net cash flow from acquisition			**(63.069)**

The Banca Ifis Group, as the acquirer, recognised a difference of 8,5 million Euro at the date of acquisition of control of Revalea, which was attributed to a bargain purchase and recognised in the Consolidated Financial Statements at 31 December 2023 under the item "Other operating income and expenses" in the Income Statement.

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Significant judgements and assumptions in determining the scope of consolidation

In order to determine the scope of consolidation, Banca Ifis assessed whether it meets the requirements of IFRS 10 for controlling investees or other entities with which it has any sort of contractual arrangements.

An entity controls another entity when the former has all the following:

- power over the investee;
- exposure to variable returns;
- and the ability to affect the amount of its returns.

More specifically, IFRS 10 requires that, in order to have control, the investor must have the ability to direct the relevant activities of the entity, whether by operation of law or by mere fact, and must also be exposed to the variability of outcomes that result from that power.

In light of the above references, the Group must therefore consolidate all types of entities if all three control requirements are met.

Generally, there is a presumption that a majority of voting rights gives control over the investee. The Group reconsiders whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

In other cases, the determination of the scope of consolidation requires consideration of all factors and circumstances that give the investor the practical ability to unilaterally conduct the relevant activities of the entity (*de facto* control). To this end, it is necessary to consider a number of factors, such as, but not limited to:

- the purpose and design of the entity;
- the identification of relevant activities and how they are managed;
- any rights held through contractual arrangements that grant the power to govern the relevant activities, such as the power to determine the financial and management policies of the entity, the power to exercise the majority of voting rights in the deliberative body, or the power to appoint or remove the majority of the deliberative body;
- any potential voting rights that can be exercised and are considered substantial;
- involvement in the entity in the role of agent or principal;
- the nature and dispersion of any rights held by other investors.

For structured entities, i.e. entities for which voting rights are not considered relevant to establish control, it is deemed to exist where the Group has contractual rights to manage the relevant assets of the entity and is exposed to the variable returns of those assets.

More specifically, the structured entities that required consolidation for the purposes of the Consolidated Interim Report at 30 September 2024 are represented by certain vehicle companies of securitisation transactions originated by Group companies. For such vehicles, the elements considered relevant to the identification of control and the resulting consolidation are the purpose of such companies, their exposure to the results of the operation, their ability to structure operations and direct relevant activities and make critical decisions by means of servicing agreements as well as their ability to arrange for their liquidation.

The assessment carried out led the Bank to include the subsidiaries controlled by means of holding the majority of voting rights (companies with relationship type “1” in the table above), as well as the SPVs (Special Purpose Vehicles) set up for securitisation purposes, for which control is considered to exist in accordance with IFRS 10; in the scope of consolidation at the reporting date. These SPVs, with the exception of the vehicle Ifis NPL 2021-1 SPV S.r.l. for which the Group holds the majority of the shares, are not companies legally belonging to the Banca Ifis Group.

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The profit (loss) for the period and each of the other components of comprehensive income are attributed to the shareholders of the Parent Company and minority interests, even if this implies that the minority interests have a negative balance. When necessary, appropriate adjustments are made to the accounts of the subsidiaries, in order to ensure compliance with the Group's accounting standards. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the investment in a subsidiary that do not involve the loss of control are considered as "equity transactions" in accordance with paragraph 23 of IFRS 10 and are therefore recognised directly in equity.

Subsidiaries are consolidated from the date on which the Group acquires control, according to the purchase method, and cease to be consolidated from the moment control ceases.

Full consolidation consists of the acquisition "line by line" of the balance sheet and income statement aggregates of the controlled entities. For consolidation purposes, the carrying amount of equity interests held by the Parent Company or other Group companies is eliminated against the assets and liabilities of the investees, with the corresponding fraction of shareholders' equity attributable to the Group and the portion attributable to non-controlling interests, also taking into account the cost allocation at the time control was acquired (Purchase Price Allocation).

For controlled entities, non-controlling interests in period equity, net income and comprehensive income are reported separately in the respective reclassified accounts of the Consolidated Interim Report, respectively, under the headings: "Equity attributable to non-controlling interests", "Profit (loss) for the period attributable to non-controlling interests", "Consolidated comprehensive income attributable to non-controlling interests".

In this regard, it should be noted that no effect on the equity, results of operations and overall profitability attributable to non-controlling interests resulted from the consolidation of the separate assets held by the vehicle companies of the securitisations originated by the Group, which were not derecognised in the separate accounts of the originator Group banks.

The costs and revenues of the controlled entity are included in the consolidation from the date control is acquired. The costs and revenues of a transferred subsidiary are included in the income statement up to the date of transfer; the difference between the transfer consideration and the carrying amount of the subsidiary's net assets is recognised in income statement item "Gains (Losses) on disposal of investments". In the event of a partial disposal of the controlled entity, which does not result in the loss of control, the difference between the consideration for the disposal and the related carrying amount is recognised as a balancing entry in equity.

Assets, liabilities, off-balance sheet transactions, income and expenses relating to transactions between consolidated companies are fully eliminated.

Company under significant influence

Associated companies, i.e. companies subject to significant influence, are considered to be non-controlled companies in which significant influence is exercised.

Significant influence is presumed to be exercised in all cases where the company holds 20% or more of the voting rights and, irrespective of the share held, where there is the power to participate in the management and financial decisions of the investee companies by virtue of particular legal ties, such as shareholders' agreements, the purpose of which is for the participants in the agreement to ensure representativeness in the management bodies and to safeguard the unity of management direction, without however having control.

Investments in companies subject to significant influence are valued using the equity method, based on the most recent available financial statements of the associate, appropriately adjusted for any significant events or transactions.

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At 30 September 2024, the companies subject to significant influence are Justlex Italia S.T.A.P.A., Redacta S.T.A.a.r.l. and The Street S.r.l., with a shareholding of 20%, 33% and 25% respectively. Compared to the situation at 31 December 2023, The Street S.r.l. was added, whose 25% stake was acquired by the Parent Company Banca Ifis in September 2024 (for further details, please refer to the section "Significant events occurred in the period" below in these Notes).

Other aspects

Highlights for assessments at 30 September 2024

Environmental and climatic aspects

The consideration of environmental and climate aspects represents an important element of attention in the strategy pursued by the Banca Ifis Group, capable of influencing its operational activities, objectives and business conduct, in the awareness that it can play a leading role in the action against climate change.

With this in mind, the Group became more aware of the impact of ESG topics on its business model, competitive environment as well as its objectives and strategies, in its role as a guide for companies and private customers in the transition process towards an economy that combines economic sustainability with environmental and social sustainability.

For specific information on the Group's environmental and climate risk management, projects launched and the effects on the Group's equity and economic position please refer to the section "Management of risks linked to climate change" in the section "Information on risks and related hedging policies" of the Notes to the Half-Year Financial Report at 30 June 2024.

Macroeconomic environment

With reference to the macroeconomic context, note that in the current environment, macroeconomic forecasts are characterised by significant uncertainty factors, thus requiring significant judgement in the selection of assumptions and forecasts to be used as reference in budgetary assessments.

The high credit cost is still expected to slow down global demand for investment and durable goods.

Future projections may be impacted by possible disruptions or slowdowns in global chains, resulting in particular from attacks on shipping traffic in the Red Sea, or increases in energy prices caused by the continuation or escalation of tensions in the Middle East, could weigh on the outlook scenarios.

World and European production estimates are pointing to moderate growth, and our country's economy is also expected to move along a weak growth path.

However, there is a possibility that the lack of dynamism in world trade will persist for a long time and that this could have a negative impact on the Italian economy. In particular, there are three international risk fronts:

- the weakness of China's economy;
- the worsening international political tensions, which, by affecting the confidence of households and businesses, could weaken the domestic market and drive commodity prices up;
- a further tightening of financing conditions with an impact on the pro-cyclical dynamics of investments.

In any case, positive signs can be derived from the following considerations:

- the US and European economies have proven resilient to rising interest rates, thanks to a combination of expansionary fiscal policies, high liquidity available in the financial markets and strong demand for labour;
- inflation, consumer spending and excess demand in the labour market started a downward trend, which is expected to continue;
- the wars in the Middle East and Ukraine did not cause shocks to the world economy, remaining confined to specific territories;

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- at the end of 2023, central banks ended the cycle of interest rate hikes that began in 2022 and in the course of 2024 started a process of lowering them (with reference to the European context, the ECB decided on a rate cut of 25 basis points at the beginning of June 2024, of 25 basis points in September and of a further 25 basis points in October 2024) with the aim of continuing the gradual decline in inflation and preventing an excessive contraction of domestic demand.

With particular regard to the impact on the equity and economic position at 30 September 2024, please refer to what is illustrated below in the section “Risks and uncertainties related to estimates” of this section “Other aspects”.

Risks and uncertainties related to estimates

Using accounting standards often requires management to make estimates and assumptions that affect the carrying amounts of assets and liabilities in the accounts and disclosure of contingent assets and liabilities. In making the assumptions underlying the estimates, management considers all available information at the reporting date of this Consolidated Interim Report, as well as hypotheses and any other factor deemed reasonable in light of past experience and foreseeable future evolutions.

By their very nature, it is therefore not possible to rule out the possibility that the assumptions made, however reasonable, may not be confirmed in the future scenarios in which the Group will find itself operating. Future results may therefore differ from the estimates made, and adjustments to the carrying value of assets and liabilities recognised in this document, which cannot be foreseen or estimated at the date of this document, may be necessary. In this regard, it should be noted that adjustments in accounting estimates may become necessary as a result of changes in the circumstances on which they were based, new information or increased experience.

The accounting policies considered most critical to the true and fair representation of the Group’s financial position, results of operations and cash flows are illustrated below, both for the materiality of the amounts to be recognised impacted by these policies, and for the high degree of judgement required in the valuations, which implies the use of estimates and assumptions by management, with reference to the specific sections of the Notes to the financial statements for detailed information on the valuation processes conducted at 30 September 2024. In particular, the aspects that required the use of complex estimates with significant assumptions are:

- determination of the fair value of receivables and financial instruments not quoted in active markets;
- measurement of Npl Segment loans;
- measurement of the Expected Credit Loss (ECL) for receivables other than the Npl Segment and for debt securities;
- estimate of provisions for risks and charges;
- estimate of the recoverability of the value of goodwill recorded;
- assessment in respect of the potential recovery of deferred tax assets (DTAs).

For the types of assets listed above, the principal issues regarding risks and uncertainties associated with estimates are discussed in the following paragraphs.

Determination of the fair value of receivables and financial instruments not quoted in active markets

In the presence of receivables and financial instruments not quoted in active markets or illiquid and complex instruments, it is necessary to activate adequate valuation processes characterised with certain judgement on the choice of valuation models and related input parameters, which may sometimes not be observable in the market. There is a degree of subjectivity involved in assessing whether certain inputs are observable and categorising them within the fair value hierarchy accordingly. For qualitative and quantitative information on the method to determine the fair value of instruments measured at fair value, reference should be made to paragraph “A.2 - Part relating to the main items of the consolidated financial statements” at 31 December 2023.

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Measurement of Npl Segment loans

Receivables of this kind are measured with significant recourse to proprietary valuation models that are subject to ongoing verification and adjustment. Specifically, the Risk Management function, when assessing the Bank's capital adequacy (ICAAP), regularly assesses the so-called model risk, since the characteristics of the business model imply a high level of variability concerning both the amount collected and the date of actual collection.

In particular, for receivables undergoing non-judicial operations, the proprietary model in use estimates cash flows by projecting the breakdown of the amount of the receivable over time based on the historical collection profile for similar clusters. In addition, for the positions with settlement plan funding characteristics, a deterministic model based on the measurement of the future instalments of the plan, net of the historical default rate is used. Therefore, the timely and careful management of cash flows is particularly important. To ensure expected cash flows are correctly assessed, also with a view to correctly pricing the transactions undertaken, the Group carefully monitors the trend in collections compared to expected flows.

For receivables undergoing judicial operations, i.e. for positions for which the presence of a job or a pension has been verified, a model has been developed for estimating cash flows prior to obtaining the Garnishment Order. In particular, cash flows are estimated for all those positions that have obtained a decree not opposed by the debtor from 1 January 2018.

The other positions undergoing judicial operations continue to be recognised at cost until said requirements are met or a garnishment order is issued.

Upon garnishment order, future cash flows are analytically determined on the basis of the objective elements known for each individual position; in this case, therefore, the estimates applied relate mainly to the identification of the duration of the payment plan.

In addition to the above, judicial operations involve also collection efforts, i.e. foreclosure proceedings, which consist of several stages and apply to portfolios originated in corporate, banking, or real estate segments where cash flows are measured by means of the manager's analytical forecasts.

Reference should be made to the details given in Part E - "Information on risks and related hedging policies" of the Consolidated financial statements at 31 December 2023.

Measurement of the Expected Credit Loss (ECL) for receivables other than the Npl Segment and for debt securities

The determination of the ECL for financial assets measured at amortised cost is a complex process that requires the use of significant assumptions and estimates.

For financial assets for which no objective evidence of loss has been individually identified, i.e. for unimpaired ("performing") exposures, the impairment model involves the need to identify whether or not there has been a significant deterioration since the date of initial recognition of the exposure and the allocation to the three stages of credit risk under IFRS 9 of loans and debt securities classified as Financial assets at amortised cost and as Financial assets at fair value through other comprehensive income.

The IFRS 9 impairment model requires, in fact, that losses be determined with reference to the time horizon of one year for financial assets that have not undergone a significant deterioration in credit risk since initial recognition (Stage 1) rather than by reference to the entire life of the instrument if a significant deterioration or indicator of impairment has been established (Stage 2 and Stage 3).

It therefore follows that the calculation of the relevant expected losses requires an articulated estimation process that mainly concerns:

- the determination of PD and LGD risk parameters including forward-looking information;

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- the assessment of the presence of a significant increase in credit risk, based on criteria that consider qualitative and quantitative information;
- the measurement of certain elements necessary for the determination of estimated future cash flows arising from non-performing loans: the expected debt collection times, the presumed realisable value of any guarantees, the costs that it is deemed will be incurred to recover the credit exposure and lastly the likelihood of sale for positions for which there is a disposal plan.

Within the range of possible approaches to estimation models permitted by the relevant international accounting standards, the use of specific methodologies or the selection of certain estimation parameters may significantly influence the measurement of such assets. These methodologies and parameters are necessarily subject to a continuous updating process, also in light of the historical evidence available, with the aim of refining the estimates to better represent the estimated realisable value of the credit exposure.

A new model for the Stage Allocation component was developed in 2024 to improve the robustness of the estimates. The updates mainly concerned methodological choices that further strengthen the estimation process or model evolutions that ensure greater adherence to industry best practices and the guidance formulated over time by supervisory authorities.

For qualitative and quantitative information on the measurement of the Expected Credit Loss for financial assets measured at amortised cost, refer to the corresponding section of the Notes to the Condensed Consolidated Half-Year Financial Statements as at 30 June 2024.

Estimate of provisions for risks and charges

The companies making up the Group are party to certain types of litigation and are also exposed to numerous contingent liabilities. The complexities of the specific situations underlying the pending litigations, together with possible interpretation issues, require in certain circumstances significant judgement in estimating the liabilities that may arise upon settlement of the pending litigations. The difficulties of assessment affect both the *an* and the *quantum*, as well as the timing of the eventual manifestation of the liability, and are particularly evident when the proceedings initiated are at an early stage. These circumstances make the valuation of contingent liabilities difficult. As a result, the classification of contingent liabilities and the consequent valuation of the necessary provisions are sometimes based on non-objective elements of judgement and require the use of even complex estimation procedures.

Specifically, the Group recognises a liability when:
- a legal or constructive obligation exists as a result of a past event;
- it is likely that it will be necessary to spend resources which could generate economic benefits to settle the obligation;
- the amount of the obligation can be reliably estimated.

Should all these conditions not be met, no liability is recognised.

The amount recognised as a provision represents the best estimate of the expense required to meet the obligation and reflects the risks and uncertainties regarding the facts and circumstances in question.

Where the cost deferral is significant, the amount of the provision is determined as the present value of the best estimate of the cost to settle the obligation. In this case a discount rate is used that reflects current market assessments.

The provisions made are periodically reviewed and, if necessary, adjusted to reflect the best current estimate. When the review finds that the cost is unlikely to be incurred, the provision is reversed.

The provisions for risks and charges on commitments and guarantees granted include the provisions for credit risk set aside for loan commitments and the other guarantees granted that fall within the scope of the impairment rules in IFRS 9. As a general rule, in this case the Bank adopts the same methods for allocating items to three

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credit risk Stages and calculating expected credit losses as the ones described for financial assets measured at amortised cost or at fair value through other comprehensive income.

Estimate of the recoverability of the value of goodwill

In accordance with IAS 36, goodwill must be impairment tested at least annually, to check that the value can be recovered. IAS 36 also requires, moreover, at each reporting date, including, therefore, the interim reports, an analysis aimed at identifying the presence of any loss indicators (termed "Trigger Events") upon the occurrence of which an impairment test must be carried out. The recoverable value is the greater of value in use and fair value, net of the costs of sale. At 30 September 2024, goodwill entered under assets amounts to 38,0 million Euro (value unchanged compared with 31 December 2023) and is fully allocated to the Cash Generating Unit (CGU) "Npl Segment".

With reference to the valuation at 30 September 2024 concerning the presence of any trigger events, which would call for impairment testing, the analysis did not reveal any such trigger events.

It is noted that the results of the test conducted on 31 December 2023 had led to the confirmation of the recoverability of the carrying amount recorded in the consolidated financial statements at that date.

As regards details of the impairment test conducted on goodwill at 31 December 2023, we would refer you to the more detailed information given in "Part B - Information on the Consolidated Statement of Financial Position, Assets", "Section 10 - Intangible assets - Item 100", Paragraph "10.3 Other information" of the Consolidated financial statements at 31 December 2023.

Assessment in respect of the potential recovery of Deferred Tax Assets (DTAs)

Assets recognised in the financial statements include Deferred Tax Assets (DTAs) mainly generated by temporary differences between the date certain business costs are recognised in the income statement and the date on which the same costs may be deducted, rather than arising from tax loss carry-forwards.

In accordance with accounting standard IAS 12, referred to in the "Group Impairment Policy", a tax asset can only be recognised to the extent that it is probable that future taxable income will be available to allow for its recoverability.

Recognition of these assets and their subsequent maintenance therefore presupposes an assessment of the likelihood of their recovery. This assessment is not carried out for deferred tax assets pursuant to Law No. 214 of 22 December 2011, which can be transformed into tax credits in the event of the recognition of a "statutory loss", a "tax loss" for IRES tax purposes and a "negative net production value" for IRAP tax purposes, and for which the relative recovery is therefore certain regardless of the ability to generate future income.

For the remaining tax assets that cannot be transformed into tax credits, the judgement of their likelihood is supported by a valuation exercise of recoverability (referred to as the "probability test"). Based on the provisions of IAS 12 and the considerations made by ESMA in its paper of 15 July 2019, the aforementioned assessment of recoverability requires a careful reconnaissance of all evidence supporting the likelihood of having sufficient taxable income in the future, also taking into account the circumstances that generated the tax losses, which should be traced back to clearly identified causes that are deemed to be non-repeatable in the future on a recurring basis.

With reference to the recoverability of deferred tax assets recognised at 30 September 2024 other than those transformable pursuant to Law No. 2014/2011, based on the Group's estimated future taxable income, the relative recovery of the DTAs in question, totalling 85,8 million Euro (54,2 million Euro if considered net of the DTL recognised in the amount of 31,6 million Euro), was assessed as probable, albeit over a medium-term time horizon and without taking into account the changes envisaged in the approval process of the draft 2025 Budget Law still in progress. Specifically, on the basis of the assessments performed and applying conservative hypotheses, with particular reference to the estimating of future income, out of the overall total of 207,9 million Euro, the 122,2

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million Euro portion attributable to Law 214/2011 (equal to 59,7% of the total DTA) would be reversed by 2028 due to express regulatory provision. The portion referring to prior tax losses and aid for economic growth ("ACE") surpluses, totalling 40,5 million Euro (or 19,5% of the total DTA) should be fully recovered from 2026 to 2032 (of which approximately 30 million Euro by 2028). The remaining 45,3 million Euro refers mainly to financial assets measured at fair value through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve. In view of the uncertainty surrounding the recoverability of DTAs related to the past tax losses of the subsidiary Cap.Ital.Fin. realised mainly prior to joining the tax consolidation programme, it was prudently decided not to recognise them; the unrecognised DTAs total 2,6 million Euro.

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Group financials and income results

Reclassified Statement of financial positions items

RECLASSIFIED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	684.197	857.533	(173.336)	(20,2)%
Financial assets mandatorily measured at fair value through profit or loss	250.095	221.982	28.113	12,7%
Financial assets measured at fair value through other comprehensive income	490.254	749.176	(258.922)	(34,6)%
Receivables due from banks measured at amortised cost	656.210	637.567	18.643	2,9%
Receivables due from customers measured at amortised cost	10.089.827	10.622.134	(532.307)	(5,0)%
Property, plant and equipment and intangible assets	243.451	219.922	23.529	10,7%
Tax assets	227.446	285.435	(57.989)	(20,3)%
Other assets	404.562	457.612	(53.050)	(11,6)%
Total assets	**13.046.042**	**14.051.361**	**(1.005.319)**	**(7,2)%**
Payables due to banks	861.064	2.717.139	(1.856.075)	(68,3)%
Payables due to customers	6.801.300	5.814.624	986.676	17,0%
Debt securities issued	3.079.718	3.288.895	(209.177)	(6,4)%
Tax liabilities	52.293	57.717	(5.424)	(9,4)%
Provisions for risks and charges	55.598	58.178	(2.580)	(4,4)%
Other liabilities	415.674	421.109	(5.435)	(1,3)%
Consolidated equity	1.780.395	1.693.699	86.696	5,1%
Total liabilities and equity	**13.046.042**	**14.051.361**	**(1.005.319)**	**(7,2)%**

Cash and cash equivalents

Cash and cash equivalents include sight bank accounts and amount to 684,2 million Euro at 30 September 2024. The decrease compared to the figure of 857,5 million Euro at the end of 2023 is mainly related to the decrease in overnight deposits with the Bank of Italy (-90,1 million Euro) and current accounts on demand with banks in connection with the performance of outstanding securitisations. The general trend of the item in the period is driven by the reshaping of deposits and the trend of loans.

Financial assets mandatorily measured at fair value through profit or loss

Financial assets mandatorily measured at fair value through profit or loss total 250,1 million Euro at 30 September 2024. This item consists of loans and debt securities that did not pass the SPPI test, equity securities and UCITS units.

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Below is the breakdown of this line item.

FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Debt securities	88.967	86.919	2.048	2,4%
Equity securities	63.036	51.051	11.985	23,5%
UCITS units	93.622	76.910	16.712	21,7%
Loans	4.470	7.102	(2.632)	(37,1)%
Total	**250.095**	**221.982**	**28.113**	**12,7%**

In detail, the increase of 12,7% compared to 31 December 2023 can be broken down as follows:

- the 2,0 million Euro (+2,4%) increase in debt securities was the result of the 1,7 million Euro net effect of subscriptions, redemptions and collections for the period and 0,4 million Euro net positive fair value changes;
- the 12,0 million Euro increase (+23,5%) in equity securities is mainly due to the fair value changes during the period (+9,6 million Euro) and the subscription of new securities (+4,1 million Euro);
- the period increase in the balance of UCITS units (+16,7 million Euro, +21,7%), is recorded following the growth recorded in fair value measurements (+3,1 million Euro) and the positive contribution of net new subscriptions, net of redemptions and collections, of 13,6 million Euro;
- the decrease in the carrying amount of loans compared to 31 December 2023 (-37,1%), mainly as a result of the collection upon closure of a singularly significant position in the amount of 2,5 million Euro.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income amount to 490,3 million Euro at 30 September 2024, down 34,6% from December 2023. They include debt securities characterised by a Held to Collect & Sell (HTC&S) business model, that have passed the SPPI test and equity securities for which the Group has exercised the OCI Option envisaged by IFRS 9.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Debt securities	362.775	634.306	(271.531)	(42,8)%
of which: government securities	*265.859*	*460.187*	*(194.328)*	*(42,2)%*
Equity securities	127.479	114.870	12.609	11,0%
Total	**490.254**	**749.176**	**(258.922)**	**(34,6)%**

Debt securities owned measured at fair value through other comprehensive income decrease by 271,5 million Euro (-42,8%) compared to the balance at 31 December 2023, mainly due to the effect of natural maturities and disposals during the period (-339,9 million Euro, of which -249,2 million Euro related to government bonds, mainly due to the reaching of natural maturities), and the increase in the fair value measurements for the period (+7,4 million Euro, of which +7,2 million Euro related to government bonds), only partly offset by new subscriptions during the period (+63,1 million Euro, of which +48,2 million Euro in government securities). The related associated net negative fair value reserve amounts to 14,7 million Euro at 30 September 2024, of which 14,0 million Euro associated with Government securities.

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This item also includes equity securities attributable to non-controlling interests, which amount to 127,5 million Euro at the end of September 2024, up 11,0% compared to 31 December 2023, mainly due to investments made in the first nine months of 2024 (+37,3 million Euro, of which 18,9 million Euro on foreign equity investments), only partly offset by period disposals (-24,5 million Euro) and by the slight decline in period fair value amounts (-0,2 million Euro). The net fair value reserve associated with this portfolio at 30 September 2024 shows a negative value of 6,1 million Euro, better than the negative figure posted at the end of 2023 of 14,4 million Euro.

Receivables due from banks measured at amortised cost

Total receivables due from banks measured at amortised cost amount to 656,2 million Euro at 30 September 2024, up on the figure booked at 31 December 2023 (637,6 million Euro). The change in this item is attributable to the growth in loans to central banks for reserve requirements (+11,1 million Euro), as well as repurchase agreements (repos) with banks, up by 25,2 million Euro.

In addition to loans to central banks for mandatory reserve and bank repurchase agreements, the item includes bank issuers' debt securities to which a "Held to Collect (HTC)" business model is associated and which have passed the SPPI Test: these securities at 30 September 2024 have a carrying amount of 545,7 million Euro, a reduction compared to the figure at December 2023 (-5,4%, equal to -31,1 million Euro), insofar as the effect of new subscriptions during the period of Italian (+215,1 million Euro) and foreign (+13,6 million Euro) bank bonds was substantively offset by that of period bond disposals within the limits envisaged by the Group policy (-259,4 million Euro, of which -171,0 million Euro Italian bonds).

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 main dynamics by Segment are shown below:

- 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%);
- receivables due from customers in the Npl Segment decrease compared to 31 December 2023 (-6,4%) to 1.540,3 million Euro;
- the contribution of the Governance & Services and Non-Core Segment comes to 2.166,3 million Euro, broadly in line with the end-of-2023 figure of 2.212,5 million Euro.

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RECEIVABLES DUE FROM CUSTOMERS BREAKDOWN BY SEGMENT (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Commercial & Corporate Banking Segment	**6.383.216**	**6.763.468**	**(380.252)**	**(5,6)%**
- of which non-performing	*205.953*	*212.870*	*(6.917)*	*(3,2)%*
Factoring Area	2.361.133	2.844.805	(483.672)	(17,0)%
- of which non-performing	*83.164*	*128.985*	*(45.821)*	*(35,5)%*
Leasing Area	1.549.977	1.552.204	(2.227)	(0,1)%
- of which non-performing	*14.836*	*10.729*	*4.107*	*38,3%*
Corporate Banking & Lending Area	2.472.106	2.366.459	105.647	4,5%
- of which non-performing	*107.953*	*73.155*	*34.798*	*47,6%*
Npl Segment	**1.540.336**	**1.646.158**	**(105.822)**	**(6,4)%**
- of which non-performing	*1.526.252*	*1.616.614*	*(90.362)*	*(5,6)%*
Governance & Services and Non-Core Segment(1)	**2.166.275**	**2.212.509**	**(46.234)**	**(2,1)%**
- of which non-performing	*23.295*	*25.598*	*(2.303)*	*(9,0)%*
Total receivables due from customers	**10.089.827**	**10.622.134**	**(532.307)**	**(5,0)%**
- of which non-performing	***1.755.500***	***1.855.082***	***(99.582)***	***(5,4)%***

(1) In the Governance & Services and Non-Core Segment, at 30 September 2024, there are government securities amounting to 1.425,4 million Euro (1.628,7 million Euro at 31 December 2023).

Total net non-performing exposures, which are significantly affected by the receivables of the Npl Segment, amount to 1.755,5 million Euro at 30 September 2024, compared to 1.885,1 million Euro at 31 December 2023 (-5,4%).

Net of this item relative to the Npl Segment, net non-performing loans come to 229,2 million Euro, a reduction on the 238,5 million Euro recorded at 31 December 2023, mainly due to the contribution made by the Factoring Area.

The Banca Ifis Group's gross and net Npe ratios for its receivables due from customers are shown below. These ratios are calculated excluding Npl Segment loans and Government bonds measured at amortised cost.

KPIs	AMOUNTS		CHANGE
	30.09.2024	31.12.2023	%
Net Npe ratio	3,2%	3,2%	0,0%
Gross Npe ratio	5,7%	5,5%	0,2%

The net Npe ratio stands at 3,2%, in line with the December 2023 figure, while the gross Npe ratio is 5,7%, up by approximately 20 bps from December 2023. These dynamics are driven by the reduction of performing exposures, and in particular those of the Factoring Area due to the seasonality of the portfolio.

For a detailed analysis of receivables due from customers, please see the section "Contribution of operating Segments to Group results" of the Interim Directors' report on the Group.

Intangible assets and property, plant and equipment

Intangible assets come to 81,0 million Euro, up 5,7% from 76,7 million Euro at 31 December 2023.

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This item refers to software and intangible assets generated in-house in the total amount of 43,0 million Euro (up from the balance of 38,6 million Euro at 31 December 2023 as a result of investments made during the period) and 38,0 million Euro in goodwill following the acquisition of the former Fbs Group.

Property, plant and equipment comes to 162,4 million Euro, up 13,4% compared with the 143,3 million Euro booked at 31 December 2023, mainly as a result of the investments made in the first nine months of 2024 by the Parent Company Banca Ifis, including the purchases of office buildings in Milan and Mestre and Palazzo San Pantalon in Venice, on whose facade the work "The Migrant Child" by the artist Banksy is painted.

Tax assets and liabilities

These items include current and deferred tax assets and liabilities.

Tax assets amount to 227,4 million Euro, a decrease of 20,3% compared to 31 December 2023, mainly due to the reversals of the portions of deferred tax assets pursuant to Law 214/11 that were deferred under current legislation.

Specifically, current tax assets amount to 19,5 million Euro, and decrease by 58,1% compared to the figure at 31 December 2023, which was 46,6 million Euro due to the effect of the liquidation of tax relative to the previous year.

Deferred tax assets amount to 207,9 million Euro, down on the figure of 238,8 million Euro at 31 December 2023 and consist mainly of 122,2 million Euro of assets recognised for impairment losses on receivables due from customers, potentially convertible into tax credits in accordance with Italian Law No. 214/2011 (144,7 million Euro at 31 December 2023), 40,5 million Euro of assets recognised for prior tax losses and aid for economic growth ("ACE") benefit (41,1 million Euro at 31 December 2023) and 45,3 million Euro (53,1 million Euro at 31 December 2023) in tax misalignments mainly relating to financial assets measured at fair value through other comprehensive income (FVOCI) and provisions for risks and charges. The decrease is mainly attributable to the release of the portion of deferred tax assets that can be converted into tax credits under Law 214/2011.

With reference to the recoverability of deferred tax assets recognised at 30 September 2024, please refer to the section "Risks and uncertainties related to estimates" within the "Accounting policies" section of these Notes.

Tax liabilities amount to 52,3 million Euro (57,7 million Euro at 31 December 2023) and are made up as follows:

- current tax liabilities of 20,7 million Euro (26,0 million Euro at 31 December 2023) representing the tax burden accrued during the period;
- deferred tax liabilities, amounting to 31,6 million Euro, essentially in line with the previous year's balance, mainly include 25,5 million Euro on receivables recognised for interest on arrears that will be taxed upon collection.

Tax assets are included in the calculation of "capital requirements for credit risk" in accordance with (EU) Regulation No. 575/2013 (CRR), as subsequently updated, which was transposed in the Bank of Italy's Circular No. 285.

Here below is the breakdown of the different treatments by type and the relevant impact on CET1 and risk-weighted assets (RWAs) at 30 September 2024:

- the "deferred tax assets that rely on future profitability and do not arise from temporary differences" are subject to deduction from CET1; at 30 September 2024, the deduction is 40,5 million Euro. It should also be noted that the amount of DTA deducted from CET1, as provided for by Art. 38 par. 5 pursuant to CRR, is offset for an amount of 12,6 million Euro by the corresponding deferred tax liabilities. This deduction will be gradually absorbed by the future use of these deferred tax assets;

- the "deferred tax assets that rely on future profitability and arise from temporary differences" are not deducted from CET1 and receive instead a 250% risk weight: at 30 September 2024, these assets amount to 38 million Euro. The amount weighted according to a factor of 250%, as provided for by Art. 38 par. 5 pursuant to CRR, is shown net of the offsetting with the corresponding deferred tax liabilities for an amount of 19 million Euro;
- the "deferred tax assets pursuant to Italian Law No. 214/2011", concerning credit risk losses, that can be converted into tax credits, receive a 100% risk weight; at 30 September 2024, the corresponding weight totals 122 million Euro;
- "current tax assets" receive a 0% weight as they are exposures to the Central Government.

Other assets and liabilities

Other assets, of 404,6 million Euro as compared to a balance of 457,6 million Euro at 31 December 2023, include:

- financial assets held for trading in the amount of 17,4 million Euro (12,9 million Euro at 31 December 2023), mainly referring to transactions in derivatives (13,7 million Euro up on the figure of 12,9 million Euro at 31 December 2023) balanced by mirror positions recorded under financial liabilities held for trading;
- derivative hedging assets, related to the micro fair value hedging strategy on the price risk associated with equity securities measured at fair value through other comprehensive income, initiated during the year, which have a positive fair value of 1,2 million Euro at 30 September 2024;
- equity investments in the amount of 976 thousand Euro, an increase of 952 thousand Euro compared to the balance at 31 December 2023 following the purchase in September 2024 by the Parent Company Banca Ifis of 25% of the shares of The Street S.r.l., classified among the companies subject to significant influence (for further details, see the section "Significant events occurred in the period" below in these Notes);
- other assets of 385,0 million Euro (444,7 million Euro at 31 December 2023), which include tax receivables of 178,4 million Euro (of which 163,7 million Euro related to tax credits for Super Ecobonus and other building tax bonuses worth a nominal amount of 183,0 million Euro, a reduction compared with the carrying amount of 208,7 million Euro at 31 December 2023), transitory items and effects portfolio for 73,1 million Euro (up 0,5 million Euro compared with December 2023), accrued income and deferred expenses for 74,8 million Euro (+15,0 million Euro compared with December 2023) and receivables from the tax consolidating company La Scogliera connected to the Group's tax consolidation for 10,3 million Euro (-21,8 million Euro compared with December 2023). It should be noted that the balance at 31 December 2023 relating to the receivable from the tax consolidating company La Scogliera was entirely collected during the first half of 2024, and therefore the balance due from the tax consolidating company at 30 September 2024 refers exclusively to advances paid in respect of 2024.

With specific reference to the above-mentioned tax credits for Super Ecobonus and other building tax bonuses recognised under "other assets" in the nominal amount of 183,0 million Euro at 30 September 2024, it should be noted that during the first nine months of 2024 there was an update of the associated regulations. Indeed, with the approval of Law No. 67 of 23 May 2024, published in Official Journal No. 123 of 28 May 2024, a number of important innovations were introduced with regard to building bonus credits.

More specifically, it was stipulated that:

- expenses incurred from 1 January 2024 for Super Ecobonus interventions are deductible by the beneficiary in 10 annual instalments;

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- the residual portions of the 110% Super Ecobonus credits that are “traceable” (i.e. have an identification code) and have been purchased at a price of less than 75% of their nominal amount are to be spread over 6 years starting on 1 January 2025;
- from 1 January 2025, it will no longer be possible to offset any Ecobonus credit against INPS and INAIL social security debts.

With reference to the specific position of the Banca Ifis Group in this new regulatory scenario, on the basis of analyses carried out, it is reasonably believed that these new provisions will not have any significant impact either in terms of lengthening the time horizon of netting or in terms of quantitative limitations to netting itself. Indeed:

- the Group stopped purchasing these receivables at the start of FY 2022;
- no building bonus credit included in the Group’s portfolio simultaneously fulfils the three conditions for the application of the new 6-year allocation;
- the Group acquired credits to be used in offsetting for a total amount below its tax capacity, both to avoid the risk of incapacity and to leave room for offsetting tax credits arising from other types of concessions (e.g., film industry).

Other liabilities come to 415,7 million Euro, essentially in line compared with 421,1 million Euro at 31 December 2023, and mainly consist of:

- trading derivative liabilities for 14,3 million Euro, mainly referring to transactions balanced by opposite positions entered amongst financial assets held for trading, and increase by 2,4% compared to the balance at 31 December 2023 of 14,0 million Euro, mirroring the performance of the component in assets;
- hedging derivative liabilities, mainly related to the micro fair value hedging strategy on the interest rate risk associated with government securities at amortised cost held by the Group, which show a negative fair value of 14,0 million Euro at 30 September 2024, up from the balance of 11,6 million Euro at 31 December 2023;
- severance indemnity payable for 7,8 million Euro, essentially in line with the figure of 31 December 2023 (7,9 million Euro);
- other liabilities for 379,5 million Euro, essentially in line with the balance of 387,6 million Euro at 31 December 2023. More specifically, the most significant items making up the balance at 30 September 2024 largely refer to operating payables for 112,0 million Euro, to transitional items and payables due to customers that have not yet been allocated for 76,0 million Euro and to payables due to La Scogliera for 20,9 million Euro (31,2 million Euro at 31 December 2023). In particular, it should be noted that the debt exposure at 31 December 2023 towards La Scogliera S.A. was entirely paid off during the first half of 2024 and, therefore, the balance towards the tax consolidating company at 30 September 2024 refers exclusively to tax items pertaining to the first nine months of 2024.

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Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Payables due to banks	**861.064**	**2.717.139**	**(1.856.075)**	**(68,3)%**
- Payables due to Central banks	-	1.577.874	(1.577.874)	(100,0)%
- Repurchase agreements	527.292	715.313	(188.021)	(26,3)%
- Other payables	333.772	423.952	(90.180)	(21,3)%
Payables due to customers	**6.801.300**	**5.814.624**	**986.676**	**17,0%**
- Repurchase agreements	711.437	346.317	365.120	105,4%
- Retail	4.958.138	4.474.892	483.246	10,8%
- Other term deposits	329.045	122.325	206.720	169,0%
- Lease payables	24.123	22.702	1.421	6,3%
- Other payables	778.557	848.388	(69.831)	(8,2)%
Debt securities issued	**3.079.718**	**3.288.895**	**(209.177)**	**(6,4)%**
Total funding	**10.742.082**	**11.820.658**	**(1.078.576)**	**(9,1)%**

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).

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 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). Debt securities issued at 30 September 2024 consist of:

- securities issued by the SPV ABCP Programme for 871,9 million Euro relating to the senior tranche. It should be noted that at the end of June 2024, the restructuring of this securitisation, involving proprietary

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factoring receivables, was completed (for more details, please refer to the section "Significant events occurred in the period");

- securities issued by the SPV Indigo Lease for 400,3 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 293,1 million Euro relating to the senior tranche;
- subordinated loans for 393,4 million Euro, up 5,5% from 31 December 2023;
- bonds issued by Banca Ifis in the amount of 1,1 billion Euro, slightly up on the end-December 2023 figure (+5,5%) for the above-mentioned February 2024 issue of the senior bond of 400 million Euro, which more than offset the period collections on other bonds.

As a result of the dynamics depicted above (and in particular the repayment of the TLTRO lines), the average funding cost as at 30 September 2024 stands at 3,91%, up from the figure of 3,08% for the average of the first nine months of 2023.

Below is a representation of the Banca Ifis Group's retail funding.

RETAIL FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Short-term funding (within 18 months)	**3.828.145**	**3.256.259**	**571.886**	**17,6%**
of which: Unrestricted	*475.534*	*458.116*	*17.418*	*3,8%*
of which: Like/One	*268.500*	*355.016*	*(86.516)*	*(24,4)%*
of which: restricted	*2.673.235*	*2.145.288*	*527.947*	*24,6%*
of which: German deposit	*410.876*	*297.839*	*113.037*	*38,0%*
Medium/long-term funding (beyond 18 months)	**1.129.993**	**1.218.633**	**(88.640)**	**(7,3)%**
Total retail funding	**4.958.138**	**4.474.892**	**483.246**	**10,8%**

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Provisions for commitments and financial guarantees granted	5.954	5.374	580	10,8%
Provisions for pensions	232	196	36	18,4%
Legal and tax disputes	33.122	43.029	(9.907)	(23,0)%
Personnel expenses	1.997	2.592	(595)	(23,0)%
Other provisions	14.293	6.987	7.306	104,6%
Total provisions for risks and charges	**55.598**	**58.178**	**(2.580)**	**(4,4)%**

Below is the breakdown of the provision for risks and charges at 30 September 2024 by type of dispute compared with the amounts for the end of the prior year.

Provisions for commitments and financial guarantees granted

Provisions for financial commitments and guarantees issued at 30 September 2024 show a balance of 6,0 million Euro, reflecting the impairment of irrevocable commitments to disburse funds and financial guarantees issued by the Group, which increased by 0,6 million Euro compared to December 2023.

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Provisions for pensions

The item includes the internal provision related to the post-retirement medical plan in favour of certain employees of the Banca Ifis Group, introduced in 2023: this is a defined benefit plan that provides for healthcare and other benefits to employees, even after retirement. The Group is responsible for the costs and risks associated with the provision of such benefits.

With reference to this fund, as a supplementary defined-benefit pension fund, the determination of the actuarial values required by the application of IAS 19 "Employee Benefits" is carried out by an independent actuary, using the "Project Unit Credit Method". The liability is recognised in the balance sheet net of any plan assets, and actuarial gains and losses calculated in the plan valuation process are recognised in the statement of comprehensive income and, therefore, in equity.

At 30 September 2024, this fund amounts to 232 thousand Euro, an increase of 36 thousand Euro compared to the balance at 31 December 2023.

Legal and tax disputes

At 30 September 2024, provisions are entered for legal and tax disputes for a total of 33,1 million Euro, a reduction on the 43,0 million Euro recorded at 31 December 2023. This amount mainly breaks down as follows:

- 21,0 million Euro for 28 disputes concerning the Factoring Area (the plaintiffs seek 44,4 million Euro in damages), mainly connected with the request for the repetition of amounts collected or payments under guarantee in relation to factoring positions without recourse. Compared to 31 December 2023, 9 new cases were received with a corresponding provision of 2,4 million Euro, while 7 cases were closed with a total provision of 2,7 million Euro;
- 3,9 million Euro (the plaintiffs seek 6,8 million Euro in damages) deriving from the business unit acquired from the former Aigis Banca and mainly the Corporate Banking & Lending Area of the Commercial and Corporate Banking Segment. 10 disputes were closed during the period, and the associated provision at 31 December 2023 amounts to 5,0 million Euro;
- 3,5 million Euro (the plaintiffs seek 4,1 million Euro in damages) for 7 disputes concerning the Corporate Banking & Lending Area e deriving from the former Interbanca. Compared to 31 December 2023, two new cases have been notified with a corresponding provision at 30 September 2024 of 219 thousand Euro, while one case was closed with an associated provision of 3,2 million Euro;
- 1,3 million Euro (the plaintiffs seek 1,5 million Euro in damages) for 27 disputes concerning the Leasing Area and tax receivables. During the first nine months of 2024, 3 cases were closed, the associated provision for risks and charges of which amounts to 11 thousand Euro at 31 December 2023, while 15 new disputes were received, the associated provision for risks and charges of which amounts to 83 thousand Euro;
- 1,4 million Euro (the plaintiffs seek 6,7 million Euro in damages) for 44 disputes of Ifis Npl Investing. In the first nine months of 2024, 24 disputes were closed for a provision of 324 thousand Euro and 11 new cases were received, for which the provision made at 30 September 2024 was 97 thousand Euro;
- 1,0 million Euro relating to various disputes concerning Banca Credifarma (the plaintiffs seek 4,1 million Euro). During the period, 3 disputes were closed, for which the associated provision amounts to 64 thousand Euro at 31 December 2023, while no new cases have been received;
- 526 thousand Euro (the plaintiffs seek 868 thousand Euro in damages) for 12 disputes regarding the company Revalea. No new litigations were notified to the company during the period, while 6 cases were closed, the total provision at 31 December 2023 amounted to 203 thousand Euro;

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- 494 thousand Euro (the plaintiffs seek 1,1 million Euro) mainly for disputes with customers and agents relating to Cap.Ital.Fin. During the first nine months of 2024, 22 cases were closed with a provision of 189 thousand Euro at 31 December 2023 and 4 cases were opened with a provision of 9 thousand Euro;
- 30 thousand Euro (the plaintiffs seek the same amount in damages) for disputes concerning the investee Ifis Rental Services.

Personnel expenses

At 30 September 2024, provisions are entered for staff for 2,0 million Euro (2,6 million Euro at 31 December 2023) of which 1,6 million Euro relating to the Solidarity Fund.

Other provisions for risks and charges

At 30 September 2024, there are "Other provisions" of 14,3 million Euro, up from the figure at 31 December 2023 (+7,3 million Euro), mainly as a result of allocations to cover risks related to outstanding disputes over tax credits for Super Ecobonus and other building tax bonuses, in respect of which the provision made at 30 September 2024 is 6,6 million Euro. The item also principally consists of 3,0 million Euro for Supplementary Customer Indemnity in connection with the Leasing Area's operations, 3,1 million Euro for the provision for risks linked to assignments and 0,4 million Euro for the provision for complaints.

Contingent liabilities

The most significant contingent liabilities within the meaning of IAS 37 existing at 30 September 2024, the negative outcome of which is deemed not probable although possible, are detailed below. Such disclosures are not provided with respect to situations where the likelihood of deploying resources capable of producing economic benefits is remote. The amount sought in association with these contingent liabilities totals 494,4 million Euro at 30 September 2024.

During 2022, Banca Ifis was sued by the bodies of two bankruptcy proceedings, which requested that it be ordered to pay 389,3 million Euro in one case and 47,7 million Euro in the other, as compensation for damages for the unlawful forbearance in its capacity as lender, albeit marginal, of the companies now in proceedings. The first claim was made jointly and severally with 23 other institutions, while the second claim was made jointly and severally with 8 other institutions. The Group, supported by its legal advisers, evaluated the risk of defeat as "possible" and, therefore, it did not allocate funds to the provisions for risks and charges.

Tax litigation - income tax

Following a tax audit for the years 2013/2017, Notices of Assessment were served for the years 2013/2017 in which the "concealed permanent establishment" of Ifis Finance Sp. z o.o., the subsidiary based in Poland, was contested.

The Financial Administration hypothesised that the office in Poland was used in the Group's strategies more as a branch/office for the promotion and sale of services offered, *de facto*, by the Parent Company Banca Ifis rather than constituting an independent and autonomous legal entity in the exercise of its activity.

For 2013-2014-2015, both the Court of First Instance (Judgement No. 266/2021) and the Court of Taxation of Second Instance (Judgement No. 201/2023) fully upheld the arguments of Banca Ifis, rejecting the Revenue Agency's objections. The courts have in fact declared that it was a "legitimate right of the Italian parent company, seeking to expand its banking and factoring services business in Poland, to determine the operative strategy of

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the parent company established to this end". The Revenue Agency filed an appeal with the Court of Cassation to which the Bank appealed within the time limits set by law.

For the years 2016 and 2017, the Court of First Instance fully upheld the Bank's appeal (Judgement 111/2024 and Judgement 426/2024). With reference to the year 2016, the Revenue Agency filed an Appeal with the Court of Justice of Second Instance to which the Bank appealed within the legal terms.

Tax litigation - value added tax (VAT)

On 29 November 2023, a Notice of Assessment was served in which the Revenue Agency contested the Parent Company, Banca Ifis's failure to pay VAT in the amount of 170 thousand Euro on 88 contracts for not having carried out adequate preventive controls on the presence of the conditions in the presence of which the client would have been able to deduct the VAT on the car, not deeming sufficient for these purposes the issuance of the letter of intent through which the client declared that he was entitled, as a habitual exporter, to receive the invoice under the non-taxable regime.

The Notice of Assessment in question was challenged within the time limits provided for by the legislation, and at the same time one third of the taxes was paid pending judgement.

Regarding that described previously, the Group, supported by the opinions of its tax advisers, evaluated the risk of defeat possible, but not probable, and therefore it did not allocate funds to the provisions for risks and charges.

Consolidated equity

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 in consolidated shareholders' equity are summarised in the following tables.

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	85.353	84.108	1.245	1,5%
Valuation reserves:	(25.915)	(39.215)	13.300	(33,9)%
- Securities	*(20.774)*	*(33.359)*	*12.585*	*(37,7)%*
- Defined benefit plans (e.g. severance indemnity)	*422*	*290*	*132*	*45,5%*
- Exchange differences	*(5.497)*	*(6.146)*	*649*	*(10,6)%*
- Hedging of equity securities at fair value through other comprehensive income	*(66)*	*-*	*(66)*	*n.a.*
Reserves	1.546.112	1.505.424	40.688	2,7%
Interim dividends (-)	-	(62.962)	62.962	(100,0)%
Treasury shares (-)	(20.990)	(21.817)	827	(3,8)%
Equity attributable to non-controlling interests	15.456	14.240	1.216	8,5%
Profit for the period attributable to the Parent Company	126.568	160.110	(33.542)	(20,9)%
Consolidated equity	**1.780.395**	**1.693.699**	**86.696**	**5,1%**

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CONSOLIDATED EQUITY: CHANGES	(in thousands of Euro)
Consolidated equity at 31.12.2023	**1.693.699**
Increases:	**134.029**
Profit for the period attributable to the Parent Company	126.568
Sale or assignment of treasury shares	1.246
Change in valuation reserve	4.546
- securities (net of realisations)	*3.765*
- defined benefit plans (e.g. severance indemnity)	*132*
- Exchange differences	*649*
Stock options	155
Equity attributable to non-controlling interests	1.216
Other changes	298
Decreases:	**47.333**
Dividends distributed	47.278
Change in valuation reserve for the hedging of equity securities at fair value through other comprehensive income (net of realisations)	55
Consolidated equity at 30.09.2024	**1.780.395**

With reference to the extraordinary tax on the “extra-profits” of the banks under Italian Law No. 136/2023, it should be noted that the corresponding allocations to reserves proposed by the directors to the relevant shareholders’ meetings have been approved by them and amount to 23.905.112 Euro for Banca Ifis (resolution dated 18 April 2024) and 3.252.404 Euro for Banca Credifarma (resolution dated 10 April 2024). Finally, it should be noted that the provision of the last part of paragraph 5-bis of Italian Law No. 136/2023 determines an obligation to be considered new and autonomous and consisting in the maintenance of the non-distributable restriction on the reserve recorded by each bank in their respective separate financial statements. In this regard, the directors currently confirm their intention not to proceed with any distribution of the reserves thus constituted.

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Reclassified income statements items

In connection with the acquisition of Revalea S.p.A. finalised on 31 October 2023 and its inclusion in the scope of consolidation, the economic figures for the first nine months of 2024 may not be fully comparable with those of the same period of the previous year. However, it should be noted that in the comments to the individual items, the contribution of the company acquired is presented, where relevant.

Formation of net banking income

Net banking income totals 531,8 million Euro, up 3,8% from 512,4 million Euro at 30 September 2023, mainly following the growth in the contribution made the Commercial & Corporate Banking Segment and the Npl Segment.

The main components of net banking income and their changes compared to the same period of the previous year are presented below.

NET BANKING INCOME (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	404.399	409.506	(5.107)	(1,2)%
Net commission income	69.566	74.299	(4.733)	(6,4)%
Other components of net banking income	57.871	28.552	29.319	102,7%
Net banking income	**531.836**	**512.357**	**19.479**	**3,8%**

Net interest income is 404,4 million Euro, essentially in line with the 30 September 2023 figure, insofar as the positive contributions made by the Commercial & Corporate Banking Segment (+7,9 million Euro) and the Npl Segment (+12,3 million Euro) were essentially offset by the reduction in net interest income from the Governance & Services and Non-Core Segment (-25,3 million Euro), which suffers both the physiological lesser contribution of a portfolio in run-off and the related PPA (-7,4 million Euro) and the higher cost of funding (-18,4 million Euro), linked to the redefinition of funding, driven by the redemption of the TLTRO facilities and their replacement with more onerous forms of funding.

Net commissions amount to 69,6 million Euro, a decrease of 4,7 million Euro compared to the figure at 30 September 2023, as the positive contribution of the Corporate Banking (+2,1 million Euro) and Pharmacies (+0,5 million Euro) unit of the Corporate Banking & Lending Area was more than offset by the lower contribution of the Governance & Services and Non-Core Segment (-1,8 million Euro), following the increase in commissions payable for retail funding, as well as the commissions paid by the newly acquired company Revalea to a third-party servicer, amounting to 3,6 million Euro. In particular:

- commission income, totalling 84,3 million Euro, in line with 30 September 2023, primarily refers to factoring commissions on the turnover generated by individual customers (with or without recourse, in a flat or monthly scheme), arrangement fees for structured finance transactions, leases, third-party servicing, as well as from other fees usually charged to customers for services;
- Commission expense is 14,7 million Euro, up 4,6 million Euro compared with the figure of the corresponding period of 2023, in connection with the fees incurred by Revalea, and largely refers to fees paid to banks and financial intermediaries such as management fees, fees paid to third parties for the distribution of leasing products, as well as brokerage operations carried out by approved banks and other credit brokers.

The other components of net banking income are 57,9 million Euro at 30 September 2024, up by 29,3 million Euro compared with the first nine months of 2023. Below are details of the components:

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- net gains from the sale/repurchase of financial assets and liabilities of 31,1 million Euro (+20,7 million Euro compared to net gains of 10,5 million Euro at 30 September 2023), mainly comprising 21,2 million Euro related to securities transactions in the proprietary portfolio mainly for the disposals of debt securities (vs 3,4 million Euro recorded in the first nine months of 2023), of which 11,8 million Euro related to bank debt securities and 9,7 million Euro relative to government securities and 9,9 million Euro from the disposals of loans in the Npl Segment (6,1 million Euro at 30 September 2023);
- net positive result of other financial assets and liabilities measured at fair value through profit or loss for 19,2 million Euro (up 10,7 million Euro compared with the figure at 30 September 2023), primarily represented by the net positive change in the first nine months of 2024 fair value of equity securities for 15,9 million Euro (which includes the capital gain on the sale for 6,2 million Euro of participating financial instruments obtained from a restructuring operation of the debt of a position in the Non-Core unit), up 10,3 million Euro compared with the first nine months of 2023, and UCITS fund units for 3,1 million Euro (+0,9 million Euro compared with 30 September 2023);
- dividends generated by shares in the Group's own portfolio in the amount of 11,0 million Euro (-2,4 million Euro compared to the figure for the first nine months of 2023);
- negative net result from trading activities of 2,5 million Euro as an improvement of 0,6 million Euro compared to the negative net result of 3,1 million Euro in the first nine months of 2023, mainly due to the better performance of trading derivatives (+0,4 million Euro compared to the balance at September 2023);
- negative net result from hedging activities of 1,0 million Euro, a deterioration from the negative figure of 0,8 million Euro at 30 September 2023, which, however, is not a readily comparable figure as hedging activities had only been in place since June 2023.

Formation of net profit (loss) from financial activities

The Group's net profit from financial activities totals 503,0 million Euro, an increase compared to 481,5 million Euro at 30 September 2023 (+4,5%).

FORMATION OF NET PROFIT FROM FINANCIAL ACTIVITIES (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**531.836**	**512.357**	**19.479**	**3,8%**
Net credit risk losses/reversals	(28.875)	(30.870)	1.995	(6,5)%
Net profit (loss) from financial activities	**502.961**	**481.487**	**21.474**	**4,5%**

Net credit risk losses total 28,9 million Euro at 30 September 2024, an improvement of 2,0 million Euro on the 30,9 million Euro at 30 September 2023. This change results from the 10,5 million Euro positive change in the credit cost of the Corporate Banking & Lending Area (whose comparative figure at 30 September 2023 included prudential adjustments allocated to cover adverse macroeconomic expectations), which more than offset the increases recorded in the Factoring Area for 6,3 million Euro (due to higher provisions on impaired positions) and in the Leasing Area for 3,0 million Euro (due to individually significant write-downs in the operating rental and financial leasing unit).

Further details of the different trends connected with the reclassified cost of loans are given in the section "Contribution of operating Segments to Group results" of the Interim Directors' Report on the Group.

Formation of net profit for the period

Formation of net profit for the period is summarised in the table below:

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FORMATION OF NET PROFIT (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net profit (loss) from financial activities	**502.961**	**481.487**	**21.474**	**4,5%**
Operating costs	**(299.664)**	**(283.095)**	**(16.569)**	**5,9%**
Charges related to the banking system	(8.121)	(10.332)	2.211	(21,4)%
Net allocations to provisions for risks and charges	(565)	(495)	(70)	14,1%
Non-recurring expenses and income	(556)	(1.320)	764	(57,9)%
Pre-tax profit (loss) for the period from continuing operations	**194.055**	**186.245**	**7.810**	**4,2%**
Income taxes for the period relating to continuing operations	(66.270)	(60.120)	(6.150)	10,2%
Profit (loss) for the period	**127.785**	**126.125**	**1.660**	**1,3%**
(Profit) loss for the period attributable to non-controlling interests	(1.217)	(1.384)	167	(12,1)%
Profit (loss) for the period attributable to the Parent Company	**126.568**	**124.741**	**1.827**	**1,5%**

Operating costs total 299,7 million Euro, showing an increase on 30 September 2023 (+5,9%).

OPERATING COSTS (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Administrative expenses:	304.798	287.431	17.367	6,0%
a) personnel expenses	*127.235*	*120.466*	*6.769*	*5,6%*
b) other administrative expenses	*177.563*	*166.965*	*10.598*	*6,3%*
Net impairment losses/reversals on property, plant and equipment and intangible assets	17.019	13.024	3.995	30,7%
Other operating income/expenses	(22.153)	(17.360)	(4.793)	27,6%
Operating costs	**299.664**	**283.095**	**16.569**	**5,9%**

Personnel expenses, amounting to 127,2 million Euro, record an increase of 5,6%, which can be attributed on the one hand to the growth in the number of resources in force at the reference date (the number of Group employees at 30 September 2024 is 2.001, up 3,5% compared to 1.933 resources at 30 September 2023) and on the other hand to the effects of the renewed national collective bargaining agreement (+2,4 million Euro).

Other administrative expenses at 30 September 2024 are 177,6 million Euro, showing an increase on 30 September 2023. This change is mainly related to the contribution of Revalea in the amount of 13,2 million Euro (contribution not present for the comparative figure of September 2023 as the company was acquired during the fourth quarter of 2023).

The performance of this item is detailed in the table below.

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OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Expenses for professional services	**95.644**	**80.120**	**15.524**	**19,4%**
Legal and consulting fees	58.005	60.201	(2.196)	(3,6)%
Fees to auditing firms	873	547	326	59,6%
Outsourced services	36.766	19.372	17.394	89,8%
Direct and indirect taxes	**27.141**	**30.220**	**(3.079)**	**(10,2)%**
Expenses for purchasing goods and other services	**54.778**	**56.625**	**(1.847)**	**(3,3)%**
Software assistance and hire	15.574	15.285	289	1,9%
Advertising and inserts	10.771	9.939	832	8,4%
Property expenses	5.766	4.880	886	18,2%
Customer information	5.398	7.777	(2.379)	(30,6)%
Business travel and transfers	3.538	2.386	1.152	48,3%
Postage and archiving of documents	2.781	2.811	(30)	(1,1)%
Car fleet management and maintenance	2.754	2.417	337	13,9%
Telephone and data transmission expenses	2.748	2.662	86	3,2%
Securitisation costs	1.504	3.749	(2.245)	(59,9)%
Other sundry expenses	3.944	4.719	(775)	(16,4)%
Total other administrative expenses	**177.563**	**166.965**	**10.598**	**6,3%**

The sub-item “Expenses for professional services” is 95,6 million Euro at 30 September 2024, up by 15,5 million Euro compared with the figure at 30 September 2023 (+19,4%) and mainly consists of:

- “Legal and consulting services”, which come to 58,0 million Euro during the first nine months of 2024, down 3,6% on the figure recorded for the same period of last year;
- costs for “Outsourced services”, which amount to 36,8 million Euro at 30 September 2024, record an increase of 17,4 million Euro on the figure recorded for the same period of the previous year. The change is attributable on the one hand to the entry of the newly acquired company Revalea into the Group’s perimeter (+10,5 million Euro), and on the other hand to the higher cost of the recovery activity of Ifis Npl Investing (+7,0 million Euro), which in the first nine months of 2023 had benefited from the settlement of the effects of the change in the commission system.

“Direct and indirect taxes” come to 27,1 million Euro, a reduction on the figure at 30 September 2023, which was 30,2 million Euro (-10,2%). The item mainly consists of the registration tax incurred for the judicial recovery of receivables belonging to non-performing loans for an amount of 17,1 million Euro at 30 September 2024, down 3,3 million Euro compared with the figure for the same period of last year, and also includes costs for stamp duty for 9,0 million Euro (in line with the 30 September 2023 figure), the recharging of which to customers is included in the item “Other operating income”.

The sub-item “Expenses for purchasing goods and other services” amounts to 54,8 million Euro, down 3,3% from the 56,6 million Euro at 30 September 2023. The top factors that mainly influence the result are:

- costs for “Software support and rental”, which amount to 15,6 million Euro and are substantially in line with the figure for the first nine months of 2023;

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- expenses for "Advertising and inserts", which increase from 9,9 million Euro to 10,8 million Euro at September 2024, due to increased sponsorships in the first nine months of 2024 by the Group;
- "Property expenses", which amount to 5,8 million Euro and increase by 18,2% compared to September 2023 (+0,9 million Euro), mainly as a result of higher supervision costs;
- "Customer information expenses", which amount to 5,4 million Euro at 30 September 2024 and decrease by 2,4 million Euro compared to the first nine months of 2023, mainly due to lower costs incurred by the subsidiary Ifis Npl Investing, mainly due to the related Npl portfolio purchase timing;
- "Securitisation costs" amount to 1,5 million Euro, a decrease of 2,2 million Euro compared to September 2023, when costs related to the new securitisation of Ifis Npl Investing were incurred in July 2023.

Net adjustments to property, plant and equipment and intangible assets at 30 September 2024 amount to 9,1 million Euro and 7,9 million Euro, respectively, and increase by 28,5% and 33,3%, respectively, compared to the figures for the same period of the previous year, as a result of the investments in property, plant and equipment and intangible assets made by the Banca Ifis Group during the first nine months of 2024 (for further details, refer to the description above in the section "Reclassified balance sheet aggregates" under the heading "Intangible assets and property, plant and equipment").

Other net operating income, amounting to 22,2 million Euro at 30 September 2024, records growth of 4,8 million Euro (+27,6%) on the figure for the equivalent period last year, also following the recovery of expenses from the newly-acquired Revalea (1,2 million Euro). 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.

As a result of the dynamics outlined above, operating costs in September 2024 amount to 299,7 million Euro, up from the balance of 283,1 million Euro in September 2023.

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 the provision made in the third quarter of 2023 for the annual contribution to the Interbank Deposit Protection Fund ("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 at 30 September 2024 amount to 0,6 million Euro, while the balance at 30 September 2023 recorded net provisions made of 0,5 million Euro. The performance in the first nine months of 2024 was characterised by:

- net provisions recorded on the Parent Company Banca Ifis for 2,3 million Euro, mainly consisting of a provision of 6,6 million Euro to cover potential risks related to existing disputes on tax credits for superbonus and other building tax bonuses (recognised in the balance sheet item "Other assets") as well as provisions for payments under guarantee in the amount of 1,3 million Euro and 1,5 million Euro for guarantees for indemnities related to a transaction involving the sale of an equity investment, the negative effects of which were partially offset by releases on individually significant positions in the amount of 8,0 million Euro;
- net releases recorded on companies in the Npl Segment totalling 1,7 million Euro related to various disputes.

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The item “Non-recurring expenses and income” amount to 556 thousand Euro at 30 September 2024 and included administrative costs directly or indirectly related to the acquisition of Revalea and its integration within the Npl Segment. These costs are down from the comparative figure of 1,3 million Euro at 30 September 2023, which included ICT costs prior to the acquisition then completed in October 2023.

Pre-tax profit from continuing operations amounts to 194,1 million Euro, up 4,2% compared to 30 September 2023.

Income tax at 30 September 2024 comes to 66,3 million Euro and the tax rate is 34,15%, up from the figure of 32,28% in the same period of the previous year due to the repeal of the aid for economic growth (“ACE”) benefit as of FY 2024.

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.

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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 to view all press releases.
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;

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- 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.

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 economic 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 payables 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.

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Significant subsequent events

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

The US and European economies, especially in terms of consumption and employment, proved more resilient than expected to the interest rate hikes implemented by central banks. Tax policy remains expansionary and, although declining compared to the immediate post-Covid-19 period, should continue to support the US and European economies. In October 2024, China launched a decisive expansionary monetary and tax policy, averting the risk of a major slowdown in the world's second largest economy.

Equity markets remain close to historical highs and interest rates remain at high levels, contributing to a positive wealth effect on the savings of consumer households.

Since June 2024, the European Central Bank has reduced interest rates by 0,75% and further reductions are expected in the coming quarters.

For the coming quarters, the most likely scenario seems to be that of a gradual slowdown in the US and European economies and a concomitant reduction in inflation and interest rates by central banks. However, the economic slowdown does not appear to be homogeneous and risk-free, with positive growth in the service sector and a more marked slowdown in the manufacturing sector, especially in some sectors (e.g. automotive, textiles). To date, these dynamics do not seem likely to cause an economic recession, but the context needs to be carefully monitored.

Venice - Mestre, 7 November 2024

For the Board of Directors

The CEO

Frederik Herman Geertman

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2024 Interim Dividend Distribution Report

Banca Ifis

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Directors' Report on the distribution of an interim dividend pursuant to Article 2433-bis of the Italian Civil Code

Considerations on the distribution of dividends

This report is presented in order to approve the distribution of interim dividends on 2024 pursuant to Art. 2433-bis of the Italian Civil Code.

Article 2433-bis of the Italian Civil Code provides that the distribution of interim dividends is permitted to companies whose financial statements are subject to statutory audits, if such distribution is provided for by the Articles of Association and in the presence of a positive opinion on the previous year's financial statements by the entity entrusted with the statutory audit and its approval by the competent bodies. It is also established that the distribution of interim dividends is not permitted when the last approved financial statements show losses for the year or previous years.

In addition, the distribution must be approved by the Board of Directors on the basis of a statement of accounts and a directors' report showing that the company's equity, economic and financial situation permits the distribution. The opinion of the statutory auditor must be obtained on these documents.

With regard to the quantification of the amount of the interim dividend, the legislation provides that the distribution may not exceed the lesser of the amount of profits earned since the end of the previous financial year, less the portions that must be allocated to reserves by legal or statutory obligation, and the amount of available reserves.

In line with the 2022-2024 Business Plan approved by the Board of Directors on 10 February 2022 and with the remuneration policy for Banca Ifis shareholders approved on 3 August 2023, the Banca Ifis Group envisages the payment, out of the 2024 results, of an amount of dividends corresponding to 50% of the consolidated net profit attributable to the Parent Company up to the materiality threshold identified when defining the annual budget (and equal to 100 million Euro for FY 2024) and 100% of the consolidated net profit attributable to the Parent Company above that threshold.

The directors of Banca Ifis S.p.A have verified that all the requirements of the aforementioned article of the Italian Civil Code are met for the exercise of the right to pay an interim dividend for the current year.

In particular, it should be noted that the financial statements of Banca Ifis at 31 December 2023:

- did not show any losses for the year or previous years;
- were audited by PricewaterhouseCoopers S.p.A., which issued a positive opinion on 27 March 2024;
- were approved by the Shareholders' Meeting on 18 April 2024.

In addition, Article 24 of Banca Ifis' Articles of Association establishes that the Board of Directors may approve the distribution of interim dividends.

Banca Ifis has determined the distribution of the interim dividend on the basis of the equity and economic position (hereinafter the "Financial Statements") at 30 September 2024 prepared in accordance with the recognition and measurement criteria established by the International Financial Reporting Standards - IFRS endorsed by the European Union (IFRS-EU) used in the preparation of the financial statements at 31 December 2023, to which we refer for a more complete presentation.

The Financial Statements consist of the Balance Sheet at 30 September 2024, the Income Statement for the period from 1 January 2024 to 30 September 2024, the Statement of Comprehensive Income for the same period, the Statement of Changes in Equity for the period from 1 January 2024 to 30 September 2024 and the Statement of Cash Flows for the period from 1 January 2024 to 30 September 2024.

In determining the available profit for the period, and thus the distributable retainer, all items that, in accordance with the regulations in force, contribute to this determination have been taken into account.

A summary of the relevant data for determining the distributable advance is shown in the following table:

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Banca Ifis S.p.A. - Item description (in thousands of Euro)	30.09.2024
Period profit (1 January 2024 - 30 September 2024)	125.820
Share of profit for the period to be allocated to the legal reserve (1)	-
Share of profit for the period not distributable (art.6, comma 1, para. a) of D.lgs. n.38/2005)	11.281
Available period profit	114.539
Available reserves	1.265.297
Distributable interim dividend (art. 2433-bis, para. 4, Italian Civil Code)	114.539
Proposed interim dividend (2)	63.084
Proposed interim dividend per outstanding share (net of treasury shares)	1,2

(1) The legal reserve, amounting to 10,8 million Euro at 30 September 2024, represents 20,0% of the share capital.
(2) The amount of the proposed advance payment was defined on the basis of a payout ratio of 49,84% of the consolidated profit for the period, attributable to the Parent Company.

Pursuant to Article 2433-bis, paragraph 4 of the Italian Civil Code, the maximum amount distributable as an interim dividend would be equal to Banca Ifis S.p.A.'s period profit of 114,5 million Euro.

The amount of the proposed 2024 interim dividend is 63.083.736,00 Euro and was determined based on a payout ratio of 49,84% of consolidated profit attributable to the Parent Company within the limits of Banca Ifis's shareholder remuneration policy approved on 3 August 2023.

The interim payment of 1,2 Euro per share (gross of legal withholdings) shall be allocated to each of the 52.569.780 issued and outstanding shares constituting the share capital of Banca Ifis net of treasury shares amounting to 1.241.315 shares. Naturally, should the total number of outstanding Banca Ifis shares change, the total amount of the interim dividend will remain unchanged and the unit amount will be automatically adjusted to the new number of outstanding shares. The interim dividend 2024 will be paid with ex-dividend No. 30 dated 18 November 2024, record date of 19 November and payment date of 20 November 2024.

Against the distribution of the above interim dividend, the capital ratios of both the Bank and the Group remain well above the required minimum levels. The ratios at the reporting date are shown below.

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OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	BALANCES 30.09.2024	
	Banca Ifis Group	Banca Ifis
Common Equity Tier 1 (CET1) capital	1.592.725	1.318.495
Tier 1 capital (T1)	1.593.652	1.318.495
Total Own Funds	1.808.031	1.531.638
Total RWAs	**9.695.327**	**8.034.896**
CET1 Ratio	**16,43%**	16,41%
Tier 1 Ratio	16,44%	16,41%
Total Capital Ratio	**18,65%**	**19,06%**

CET1, Tier 1 and Total Capital at 30 September 2024 include the profits generated 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.

General aspects

To allow a more immediate reading of the results, a condensed reclassified income statement is prepared within this document. To allow for a homogeneous comparison, economic data referring to previous periods are normally restated, where necessary and significant. Reclassifications and aggregations of the income statement concern the following:

- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- the cost and revenue items considered as "non-recurring" (for example because related directly or indirectly to business combinations) 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 for the Bank 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 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;

The balance sheet components were aggregated without reclassification.

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Balance sheet aggregates of Banca Ifis S.p.A.

The main balance sheet aggregates of Banca Ifis at 30 September 2024 are set out below.

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	546.813	599.016	(52.203)	(8,7)%
Financial assets mandatorily measured at fair value through profit or loss	243.825	215.466	28.359	13,2%
Financial assets measured at fair value through other comprehensive income	490.249	749.171	(258.922)	(34,6)%
Receivables due from banks measured at amortised cost	663.292	634.802	28.490	4,5%
Receivables due from customers measured at amortised cost	8.590.820	9.201.981	(611.161)	(6,6)%
Equity investments	701.182	672.528	28.654	4,3%
Property, plant and equipment and intangible assets	195.559	173.804	21.755	12,5%
Tax assets	195.858	238.925	(43.067)	(18,0)%
Other assets	348.609	377.479	(28.870)	(7,6)%
Total assets	**11.976.207**	**12.863.172**	**(886.965)**	**(6,9)%**
Payables due to banks measured at amortised cost	747.489	2.604.466	(1.856.977)	(71,3)%
Payables due to customers measured at amortised cost	7.891.461	7.077.199	814.262	11,5%
Debt securities issued	1.514.540	1.435.852	78.688	5,5%
Tax liabilities	37.746	38.268	(522)	(1,4)%
Provisions for risks and charges	50.962	51.804	(842)	(1,6)%
Other liabilities	285.375	290.946	(5.571)	(1,9)%
Equity	1.448.634	1.364.637	83.997	6,2%
Total liabilities and equity	**11.976.207**	**12.863.172**	**(886.965)**	**(6,9)%**

Cash and cash equivalents

Cash and cash equivalents include sight bank accounts and amount to 546,8 million Euro at 30 September 2024, a decrease of 52,2 million Euro compared to the figure for December 2023, mainly due to a rebalancing of overnight deposits held with the Bank of Italy with respect to other bank current accounts, in relation to the needs generated by outstanding loans.

Financial assets mandatorily measured at fair value through profit or loss

Other financial assets mandatorily measured at fair value through profit or loss total 243,8 million Euro at 30 September 2024. This item consists of loans and debt securities that did not pass the SPPI test, equity securities from minority shares and UCITS fund units. This item increased by 13,2% compared to the 31 December 2023 figure (+28,4 million Euro). This performance is attributable to new investments in equity securities and in UCITS units, made in the first nine months of 2024, which offset the normal amortisation of debt securities and loans.

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FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Debt securities	88.025	85.860	2.165	2,5%
Equity securities	63.036	51.051	11.985	23,5%
UCITS units	88.294	71.453	16.841	23,6%
Loans	4.470	7.102	(2.632)	(37,1)%
Total	**243.825**	**215.466**	**28.359**	**13,2%**

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income total to 490,3 million Euro at 30 September 2024, down 34,6% from December 2023. They include debt securities characterised by a Held to Collect & Sell (HTC&S) business model, that have passed the SPPI test and equity securities for which the Bank has exercised the OCI Option envisaged by IFRS 9.

FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Debt securities	362.775	634.306	(271.531)	(42,8)%
of which: government securities	*265.859*	*460.187*	*(194.328)*	*(42,2)%*
Equity securities	127.474	114.865	12.609	11,0%
Total	**490.249**	**749.171**	**(258.922)**	**(34,6)%**

The reduction in debt securities held by the Bank is attributable to the natural maturities of securities in the portfolio relating to banking issuers (-72,9 million Euro) and non-financial issuers (-267,0 million Euro, of which -249,2 million Euro in government bonds), which were offset by write-backs of 7,4 million Euro and new subscriptions of 63,1 million Euro. The related associated fair value reserve amounts to a negative 14,7 million Euro at 30 September 2024, of which 14 million Euro associated with Government securities.

This item also includes equity securities attributable to non-controlling interests, which, at end September 2024, amount to 127,5 million Euro, up 11,0% compared to 31 December 2023, mainly due to investments made in the first nine months of 2024 (+35,9 million Euro), which more than offset the disposals realised in the period (-23,1 million Euro). The net fair value reserve associated with this portfolio at 30 September 2024 shows a negative value of 6,0 million Euro, compared with the negative figure of 14,4 million Euro at the end of 2023.

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 8.590,8 million Euro, a 6,6% reduction on 31 December 2023 (9.202 million Euro). The item includes debt securities in the amount of 2.168,1 million Euro (a decrease of 357,4 million Euro on the figure for year-end 2023 of 2.525,5 million Euro), of which 1.425,4 million Euro related to government bonds. Against the positive trend in loans related to the Bank's Corporate Banking & Lending business (+4,1%), there is a 17,0% drop in factoring exposures (in line with business seasonality) and substantial stability in loans generated by leasing operations (-1,4%). The exposures belonging to the Governance & Services and Non-Core Segment slow compared to December 2023 (-5,2%), mainly due to the disposals of debt securities during the period only partially offset by investments in repurchase agreements.

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Credit quality item 40 customers

(in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 30.09.2024						
Nominal amount	115.212	209.443	73.576	**398.231**	8.451.834	**8.850.065**
Losses	(83.374)	(89.939)	(7.673)	**(180.986)**	(78.259)	**(259.245)**
Carrying amount	31.838	119.504	65.903	**217.245**	8.373.575	**8.590.820**
Coverage ratio	*72,4%*	*42,9%*	*10,4%*	***45,4%***	*0,9%*	***2,9%***
POSITION AT 31.12.2023						
Nominal amount	107.211	186.104	106.737	**400.052**	9.078.531	**9.478.583**
Losses	(84.129)	(81.230)	(7.307)	**(172.666)**	(103.936)	**(276.602)**
Carrying amount	23.082	104.874	99.430	**227.386**	8.974.595	**9.201.981**
Coverage ratio	*78,5%*	*43,6%*	*6,8%*	***43,2%***	*1,1%*	***2,9%***

Non-performing loans record a decrease of 4,5% compared to 31 December 2023 due to a decrease of approximately 33,5 million Euro in the non-performing past due component mainly driven by the Factoring Area. Unlikely to pay and net non-performing loans increase, mainly as a result of the Lending unit, where there was a deterioration in pharmacy loans and secured loans. The coverage of non-performing loans, up by 2,2%, is affected on the one hand by the increase in the coverage of past due exposures due to the return to performing status of exposures to the public administration, and with which a lower probability of loss is associated, and on the other hand by the entry of guaranteed exposures to UTP and non-performing loans, as well as by the disposals of loan portfolios almost entirely covered by adjustment provisions.

Equity investments

DESCRIPTION	30.09.2024	31.12.2023
Ifis Finance Sp. Z o.o.	26.356	26.356
Ifis Rental Services S.r.l.	120.895	120.895
Ifis Npl Investing S.p.A.	432.700	432.700
Cap.Ital.Fin. S.p.A.	45.702	18.000
Banca Credifarma S.p.A.	54.597	54.597
Ifis Finance I.F.N. S.A.	19.975	19.975
Ifis NPL 2021-1 SPV S.r.l.	5	5
The Street S.r.l.	952	-
Total	**701.182**	**672.528**

Equity investments amount to 701 million Euro compared to 673 million Euro in December 2023. The equity investment in Cap.Ital.Fin. S.p.A. increased following the subscription of a capital increase of approximately 30 million Euro in the second quarter of 2024. In addition, the Bank acquired, in September 2024, 25% of the shares of The Street S.r.l., classified among the companies under significant influence; this company manages the cultural hub of the Treviso Arts District (TAD).

Intangible assets and property, plant and equipment

Intangible assets come to 36,4 million Euro, up (+10,4%) on the figure recorded at 31 December 2023. The item refers entirely to software.

Property, plant and equipment amount to 159,1 million Euro, up 18,3 million Euro from 140,8 million Euro at 31 December 2023. This increase is mainly attributable to investments made by the Bank during the period, including

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the purchase of office buildings in Milan and Mestre and the purchase of Palazzo San Pantalon in Venice, on whose facade the work "The Migrant Child" by the artist Banksy is painted.

Tax assets and liabilities

These items include current and deferred tax assets and liabilities.

Tax assets amount to 195,9 million Euro, down 18% from 31 December 2023.

Current tax assets amount to 11,3 million Euro, significantly down from the figure at 31 December 2023 due to the settlement of taxes for the previous year.

Deferred tax assets come to 184,6 million Euro as compared with 209,7 million Euro at 31 December 2023 and mainly comprise 115,0 million Euro in deferred tax entered for impairment of loans, potentially able to be transformed into tax credits (135,2 million Euro at 31 December 2023), and 40,0 million Euro in deferred tax entered on previous tax losses and the aid for economic growth ("ACE") benefit (in line with the figure at 31 December 2023) deemed likely to recover.

With reference to the recoverability of deferred tax assets recognised at 30 September 2024 other than those transformable pursuant to Law No. 2014/2011, based on the estimated future taxable income, the relative recovery has been assessed as probable, albeit over a medium-term time horizon and without taking into account the changes envisaged in the approval process of the draft 2025 Budget Law still in progress. Specifically, out of the overall total of 184,6 million Euro, the 115,0 million Euro portion attributable to Law 214/2011 (equal to 62,3% of the total DTA) would be reversed by 2026 due to express regulatory provision. The portion referring to prior tax losses and aid for economic growth ("ACE") surpluses, totalling 40 million Euro (or 21,7% of the total DTA) would be fully recovered from 2027 to 2032 (of which approximately 30 million Euro by 2028). The remaining 29,6 million Euro (equal to 16% of total DTAs) refers mainly to financial assets measured at fair value with through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve.

Tax liabilities total 37,7 million Euro, a figure that is essentially in line with that of 31 December 2023, equal to 38,3 million Euro.

Current tax liabilities, amounting to 7,9 million Euro, represent the tax burden for the relevant period, down 10,4% from 8,8 million Euro as of 31 December 2023.

Deferred tax liabilities, amounting to 29,9 million Euro remain in line with the December 2023 figure (29,5 million Euro) and mainly include 28,4 million Euro on receivables recognised for interest on arrears that will be taxed upon collection.

Other assets

Other assets, of 348,6 million Euro as compared to a balance of 377,5 million Euro at 31 December 2023, mainly include:

- financial assets held for trading in the amount of 8,9 million Euro (up from the figure of 0,6 million Euro at 31 December 2023), referring almost entirely to transactions in derivatives, mainly balanced by mirror positions recorded under financial liabilities held for trading;
- derivative hedging assets amounting to 1,2 million Euro; this constitutes micro fair value hedging aiming to manage the interest rate risk associated with bonds held by the Bank,
- other assets for 338,6 million Euro (376,9 million Euro at 31 December 2023, -10,2%), of which 163,7 million Euro relate to tax credits for superbonuses and other construction tax bonuses (with a nominal amount of 183 million Euro).

Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
a) Payables due to banks	**747.489**	**2.604.466**	**(1.856.977)**	**(71,3)%**
- Payables due to Central banks	-	1.577.874	(1.577.874)	(100,0)%
of which: TLTRO	*-*	*1.577.874*	*(1.577.874)*	*(100,0)%*
- Repurchase agreements	527.292	715.313	(188.021)	(26,3)%
- Other payables	220.197	311.279	(91.082)	(29,3)%
b) Payables due to customers	**7.891.461**	**7.077.199**	**814.262**	**11,5%**
- Repurchase agreements	711.437	346.317	365.120	105,4%
- Retail	4.958.138	4.474.892	483.246	10,8%
- Other term deposits	313.877	120.143	193.734	161,3%
- Lease payables	21.909	21.058	851	4,0%
- Other payables	1.886.100	2.114.789	(228.689)	(10,8)%
c) Debt securities issued	**1.514.540**	**1.435.852**	**78.688**	**5,5%**
Total funding	**10.153.490**	**11.117.517**	**(964.027)**	**(8,7)%**

Total funding at 30 September 2024 is 10.153,5 million Euro, down (-8,7%) from 31 December 2023. Payables due to customers continue to represent the majority of funding at 77,7% (63,7% at 31 December 2023), followed by debt securities issued at 14,9% (12,9% at 31 December 2023), and payables due to banks at 7,4% (23,4% at 31 December 2023).

Payables due to customers are 7.891,5 million Euro at 30 September 2024, up by 11,5% compared to 31 December 2023 following the increase of term deposits and loans, as well as retail funding. This trend has offset the decrease in payables due to banks, which amount to 747,5 million Euro, down 71,3% from the December 2023 figure, after the repayment, for a nominal amount of 1,5 billion Euro, of all TLTRO lines, of which the last tranche matured in September 2024.

Debt securities issued amount to 1.514,5 million Euro, an increase of 5,5% mainly due to interest accrued during the period, and consist of bonds issued in the amount of 1,1 billion Euro and 0,4 billion Euro in subordinated loans. With respect to 31 December 2023, a new issue of a senior bond worth a nominal amount of 400 million Euro and having a term of 5 years was made in February 2024, which substantially replaced the Senior Preferred bond worth a nominal amount of 400 million Euro issued in 2020 and maturing on 25 June 2024.

Provisions for risks and charges

Provisions for liabilities and charges amount to approximately 51 million Euro at 30 September 2024 and were broken down as follows:

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	AMOUNTS		CHANGE	
	30.09.2024	31.12.2023	ABSOLUTE	%
Provisions for credit risk related to commitments and financial guarantees granted	5.093	5.248	(155)	(3,0)%
Provisions on other commitments and other financial guarantees given	215	-	215	n.a.
Provisions for pensions	220	189	31	16,4%
Legal disputes	29.711	37.953	(8.242)	(21,7)%
Personnel charges	1.788	1.895	(107)	(5,6)%
Other provisions	13.935	6.519	7.416	113,8%
Total provisions for risks and charges	**50.962**	**51.804**	**(842)**	**(1,6)%**

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The decrease of approximately 0,8 million Euro compared to the figure at 31 December 2023 results from the positive settlement of certain legal disputes related to the former GE Capital Interbanca Group and Ex-Aigis, which led to releases of around 8,2 million Euro. On the other hand, the item other provisions increased by a total of 7,4 million Euro, mostly from guarantees given in transactions involving the assignment of receivables and equity securities (+1,5 million Euro) and for allocations for risks connected with Superbonus 110% tax credits for about 6,6 million Euro.

Company pension funds amount to 220 thousand Euro, substantially in line with the December 2023 figure of 189 thousand Euro.

Other liabilities

Other liabilities amount to 285,4 million Euro at 30 September 2024, slightly down (-1,9%) from 290,9 million Euro at 31 December 2023. They are made up of:

- trading derivatives for 14,3 million Euro, mainly referring to transactions balanced by opposite positions entered amongst financial assets held for trading;
- hedging derivatives for 14,0 million Euro related to the management of the interest rate risk associated with securities held by the Bank;
- 5,2 million Euro liabilities for post-employment benefits (5,3 million Euro at 31 December 2023);
- other liabilities for 251,8 million Euro (260,0 at 31 December 2023), largely refer to amounts due from suppliers for 69,6 million Euro and amounts available to customers for 16,3 million Euro, transitional items for 33 million Euro and collections awaiting allocation for 53,6 million Euro.

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Economic aggregates of Banca Ifis S.p.A.

For ease of reading, a reclassified income statement is presented below.

(in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	159.231	179.323	(20.092)	(11,2)%
Net commission income	63.620	66.732	(3.112)	(4,7)%
Other components of net banking income	124.123	111.276	12.847	11,5%
Net banking income	**346.974**	**357.331**	**(10.357)**	**(2,9)%**
Net credit risk losses/reversals	(24.354)	(31.510)	7.156	(22,7)%
Net profit (loss) from financial activities	322.620	325.821	**(3.201)**	**(1,0)%**
Administrative expenses:	(178.286)	(168.165)	(10.121)	6,0%
a) personnel expenses	(95.167)	(90.178)	(4.989)	5,5%
b) other administrative expenses	(83.119)	(77.987)	(5.132)	6,6%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(14.931)	(11.467)	(3.464)	30,2%
Other operating income/expenses	36.725	28.870	7.855	27,2%
Operating costs	**(156.492)**	**(150.762)**	**(5.730)**	**3,8%**
Charges related to the banking system	(7.930)	(9.955)	2.025	(20,3)%
Net allocations to provisions for risks and charges	(2.330)	(387)	(1.943)	502,1%
Non-recurring expenses and income	(75)	(479)	404	(84,3)%
Profit (loss) on equity investments	(2.298)	(2.012)	(286)	14,2%
Pre-tax profit (loss) for the period from continuing operations	**153.495**	**162.226**	**(8.731)**	**(5,4)%**
Income taxes for the period relating to continuing operations	(27.675)	(28.114)	439	(1,6)%
Profit (loss) for the period	**125.820**	**134.112**	**(8.292)**	**(6,2)%**

Formation of net banking income

Net banking income totals 347 million Euro, down 2,9% from 357,3 million Euro at 30 September 2023.

The change and main components of net banking income are shown below.

NET BANKING INCOME (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	159.231	179.323	(20.092)	(11,2)%
Net commission income	63.620	66.732	(3.112)	(4,7)%
Other components of net banking income	124.123	111.276	12.847	11,5%
Net banking income	**346.974**	**357.331**	**(10.357)**	**(2,9)%**

Net interest income decreases by 11,2%, going from 179,3 million Euro at 30 September 2023 to 159,2 million Euro at 30 September 2024. The trend sees interest income grow by 17,7%; this growth is offset by an increase in the cost of funding (+91,5 million Euro). The latter has been adversely affected by the gradual phasing out of TLTRO

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lines (-1,1 billion Euro on average relating to the first nine months of 2024) in favour of more costly funding lines for the Bank.

Net commissions total 63,6 million Euro, down 3,1 million Euro compared with 30 September 2023. The positive contribution of commissions related to Structured Finance was offset by a decrease in the related factoring component, also due to a reduction in volumes managed.

Commission income amounts to 72,8 million Euro (-2,4% compared to September ‘23). Commission expense, totalling 9,1 million Euro, an increase on the figure of 7,8 million Euro in the corresponding period of 2023, largely refers to fees paid to banks and financial intermediaries such as management fees, fees paid to third parties for the distribution of leasing products, as well as brokerage operations carried out by approved banks and other credit brokers.

The other components of net banking income come to 124,1 million Euro, up by 12,8 million Euro compared with the first nine months of 2023. The item is affected by lower dividends from the subsidiary Ifis Npl Investing S.p.A. amounting to 72 million Euro (89 million Euro at 30 September 2023), offset by lower losses from trading activities of 5,5 million Euro, higher profits from disposals (+16,5 million Euro) and the positive contribution of assets compulsorily valued at FV of approximately 10 million Euro.

Formation of net profit (loss) from financial activities

The net profit from financial activities totals 322,6 million Euro, compared to 325,8 million Euro at 30 September 2023 (-1%).

FORMATION OF NET PROFIT (LOSS) FROM FINANCIAL ACTIVITIES (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**346.974**	**357.331**	**(10.357)**	**(2,9)%**
Net credit risk losses/reversals	(24.354)	(31.510)	7.156	(22,7)%
Net profit (loss) from financial activities	**322.620**	**325.821**	**(3.201)**	**(1,0)%**

Net credit risk losses total 24,4 million Euro at 30 September 2024, down 7,2 million Euro on the 31,5 million Euro at 30 September 2023, which had seen greater provisions made for the credit risk. The item has also seen higher write-backs of 0,9 million Euro on securities as a result of disposals during the period under review.

Formation of net profit for the period

Operating costs total 156,5 million Euro at 30 September 2024, showing an increase on 30 September 2023 (+3,8%).

OPERATING COSTS (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Administrative expenses:	(178.286)	(168.165)	(10.121)	6,0%
a) personnel expenses	*(95.167)*	*(90.178)*	*(4.989)*	*5,5%*
b) other administrative expenses	*(83.119)*	*(77.987)*	*(5.132)*	*6,6%*
Net impairment losses/reversals on property, plant and equipment and intangible assets	(14.931)	(11.467)	(3.464)	30,2%
Other operating income/expenses	36.725	28.870	7.855	27,2%
Operating costs	**(156.492)**	**(150.762)**	**(5.730)**	**3,8%**

Personnel expenses at 30 September 2024 amount to 95,2 million Euro. The increase compared to the figure at 30 September 2023 is mainly due to the increase in the workforce (+5,5%) and the effects of the renewal of the National Collective Bargaining Agreement (NCBA) for bank employees.

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Other administrative expenses, at 30 September 2024, which come to 83,1 million Euro rise by 6,6% on 30 September 2023. The most significant increases relate to legal and consulting costs, which rise by 1,5 million Euro compared to September 2023, and expenses for the purchase of goods and services, which increase by 3,5 million Euro compared to the same period of the previous year, and in particular relate to:

- services advertising and marketing costs of 9,7 million Euro (+0,7 million Euro compared to September 2023);
- assistance and software rental amounting to 14,1 million (+0,5 million Euro);
- real estate-related expenses, which amount to 5,0 million Euro (+1,0 million Euro compared to September 2023);
- travel and transfers amounting to 3,3 million Euro (+1,1 million Euro compared to September 2023).

Other net operating income, amounting to 36,7 million Euro at 30 September 2024, records an increase of 7,9 million Euro on the figure for the corresponding period of last year (28,9 million Euro). The item refers mainly to revenue from the recovery of expenses charged to third parties and Group companies. 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.

Formation of net profit for the period is summarised in the table below:

FORMATION OF NET PROFIT (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net profit (loss) from financial activities	**322.620**	**325.821**	**(3.201)**	**(1,0)%**
Operating costs	**(156.492)**	**(150.762)**	**(5.730)**	**3,8%**
Charges related to the banking system	(7.930)	(9.955)	2.025	(20,3)%
Net allocations to provisions for risks and charges	(2.330)	(387)	(1.943)	502,1%
Non-recurring expenses and income	(75)	(479)	404	(84,3)%
Profit (loss) on equity investments	(2.298)	(2.012)	(286)	14,2%
Pre-tax profit from continuing operations	**153.495**	**162.226**	**(8.731)**	**(5,4)%**
Income taxes for the period relating to continuing operations	(27.675)	(28.114)	439	(1,6)%
Profit for the period	**125.820**	**134.112**	**(8.292)**	**(6,2)%**

Net allocations to provisions for risks and charges show a balance of 2,3 million Euro at the end of September 2024, up by approximately 1,9 million Euro compared to the figure posted for the same period last year.

Charges related to the banking system amount to 7,9 million Euro and are 20,3% lower than in September 2023. This item includes charges for the operation of the banking system's guarantee funds. The change is also attributable to the fact that the Single Resolution Fund contribution was not claimed during 2024, as the accumulation plan target was reached during 2023.

The tax burden at 30 September 2024 is substantially in line with that at 30 September 2023.

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Risk control

Information on the role played by Banca Ifis in ensuring effective and efficient risk management at Group level can be found in the corresponding section of the Notes to the Condensed Consolidated Half-Year Financial Statements at 30 June 2024 and the Annual Financial Statements closed at 31 December 2023, to which reference is made.

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Significant events after 30 September 2024

Subsequent to 30 September 2024, no events occurred that would negatively affect the Bank's and Group's Statement of Financial Position at 30 September 2024.

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Information on the economic outlook and business outlook

On the basis of the information available at the date of this Report and given the current macroeconomic situation of the markets, both national and supranational, we believe that the Banca Ifis Group is able to close FY 2024 with an estimated net result of approximately 160 million Euro, in line with the guidance presented to the market on 8 February 2024 and in line with the targets for the third year of the 2022-2024 Business Plan, approved by the Banca Ifis S.p.A. Board of Directors on 10 February 2022.

As far as the Bank is concerned, the net result for FY 2024 is expected to be higher than in the first nine months of the year.

In terms of the potential achievement of the consolidated net result expected in the third year of the above-mentioned 2022-2024 Business Plan, the main implications arising from the current macroeconomic context were also considered, both as regards the reduction of interest rates and the possible effects of the economic slowdown experienced in Europe and in Italy. Without prejudice to the uncertainty inherent in any assumption regarding future economic prospects, no significant changes in the Group's and the Bank's main economic figures have been identified that would alter the trends seen to date and to an extent that would not allow the previously illustrated results to be achieved at year-end.

In consideration of the foregoing, subject to the effects of any exceptional events or dependent on variables essentially beyond the Bank's control (which cannot be foreseen or hypothesised to date), it is expected at year-end, both at a consolidated and individual level, that own funds shall be well in excess of the minimum capital requirements imposed by current regulations and by the Supervisory Authority.

With regard to the Group's dividend distribution based on the 2024 results, the distribution of a cash dividend amount in accordance with the new dividend policy approved by the Board of Directors on 3 August 2023 is envisaged, with 50% of the consolidated net profit up to the materiality threshold identified as 100 million Euro and 100% of Banca Ifis's consolidated net profit exceeding 100 million Euro. Taking into account that the Bank's shareholder remuneration policy provides for the distribution of an interim dividend in November, the Board of Directors is scheduled to approve today an interim dividend of 1,2 Euro per share or a total of 63,1 million Euro to be paid on 20 November 2024.

Venice - Mestre, 7 November 2024

For the Board of Directors

The CEO

Frederik Herman Geertman

It should be noted that during the meeting of the Board of Directors held on 7 November 2024, after the approval of this document, the auditing firm PricewaterhouseCoopers S.p.A. issued its regulatory opinion.

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Financial statements of Banca Ifis prepared in accordance with Article 2433-bis of the Italian Civil Code

Statement of financial position

	ASSETS (in Euro)	30.09.2024	31.12.2023
10.	Cash and cash equivalents	546.812.540	599.016.467
20.	Financial assets measured at fair value through profit or loss	252.693.478	216.049.105
	a) financial assets held for trading	8.868.089	583.205
	c) other financial assets mandatorily measured at fair value	243.825.389	215.465.900
30.	Financial assets measured at fair value through other comprehensive income	490.249.427	749.171.044
40.	Financial assets measured at amortised cost	9.254.110.622	9.836.784.565
	a) receivables due from banks	663.292.219	634.802.491
	b) receivables due from customers	8.590.818.403	9.201.982.074
50.	Hedging derivatives	1.173.149	-
70.	Equity investments	701.182.522	672.528.343
80.	Property, plant and equipment	159.126.598	140.810.946
90.	Intangible assets	36.431.609	32.993.043
	of which:		
	- goodwill	-	-
100.	Tax assets:	195.858.288	238.924.453
	a) current	*11.287.135*	*29.269.663*
	b) deferred	*184.571.153*	*209.654.790*
120.	Other assets	338.568.753	376.895.638
	Total assets	**11.976.206.986**	**12.863.173.604**

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	LIABILITIES AND EQUITY (in Euro)	30.09.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	10.153.490.533	11.117.517.248
	a) payables due to banks	747.489.136	2.604.466.155
	b) payables due to customers	7.891.460.923	7.077.198.747
	c) debt securities issued	1.514.540.474	1.435.852.346
20.	Financial liabilities held for trading	14.347.251	14.005.340
40.	Hedging derivatives	13.991.030	11.643.727
60.	Tax liabilities:	37.745.664	38.268.504
	a) current	7.879.580	8.799.355
	b) deferred	29.866.084	29.469.149
80.	Other liabilities	251.820.679	259.976.018
90.	Post-employment benefits	5.213.652	5.321.717
100.	Provisions for risks and charges:	50.962.493	51.804.638
	a) commitments and guarantees granted	5.308.446	5.248.405
	b) pensions and similar obligations	220.268	189.344
	c) other provisions for risks and charges	45.433.779	46.366.889
110.	Valuation reserves	(20.520.388)	(33.085.299)
140.	Reserves	1.225.162.017	1.201.177.993
145.	Interim dividends	-	(62.961.692)
150.	Share premiums	85.353.243	84.107.651
160.	Share capital	53.811.095	53.811.095
170.	Treasury shares (-)	(20.990.477)	(21.817.335)
180.	Profit (loss) for the period (+/-)	125.820.194	143.403.999
	Total liabilities and equity	**11.976.206.986**	**12.863.173.604**

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Income Statement

	ITEMS (in Euro)	30.09.2024	30.09.2023
10.	Interest receivable and similar income	474.259.744	402.864.920
	of which: interest income calculated using the effective interest method	*460.437.835*	393.319.523
20.	Interest due and similar expenses	(315.028.483)	(223.541.856)
30.	**Net interest income**	**159.231.261**	**179.323.064**
40.	Commission income	72.766.959	74.543.080
50.	Commission expense	(9.147.574)	(7.811.253)
60.	**Net commission income**	**63.619.385**	**66.731.827**
70.	Dividends and similar income	83.015.689	102.418.786
80.	Net profit (loss) from trading	1.388.559	(4.128.411)
90.	Net result from hedging	(996.850)	(834.320)
100.	Profit (loss) from sale or buyback of:	20.919.198	4.385.707
	a) financial assets measured at amortised cost	15.960.021	2.036.394
	b) financial assets measured at fair value through other comprehensive income	4.872.635	1.343.873
	c) financial liabilities	86.542	1.005.439
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	19.462.588	9.434.080
	b) other financial assets mandatorily measured at fair value	19.462.588	9.434.080
120.	**Net banking income**	**346.639.830**	**357.330.733**
130.	Net credit risk losses/reversals on:	(23.896.695)	(33.745.784)
	a) financial assets measured at amortised cost	(24.590.444)	(33.512.202)
	b) financial assets measured at fair value through other comprehensive income	693.749	(233.582)
150.	**Net profit (loss) from financial activities**	**322.743.135**	**323.584.949**
160.	Administrative expenses:	(186.290.882)	(172.591.982)
	a) personnel expenses	(95.167.555)	(90.178.448)
	b) other administrative expenses	(91.123.327)	(82.413.535)
170.	Net allocations to provisions for risks and charges	(2.456.621)	(4.157.711)
	a) commitments and guarantees granted	(126.214)	(3.770.511)
	b) other net allocations	(2.330.407)	(387.199)
180.	Net impairment losses/reversals on property, plant and equipment	(8.177.384)	(6.315.589)
190.	Net impairment losses/reversals on intangible assets	(6.754.382)	(5.151.438)
200.	Other operating income/expenses	36.729.328	28.868.877
210.	**Operating costs**	**(166.949.941)**	**(159.347.844)**
220.	Profit (loss) on equity investments	(2.298.000)	(2.011.562)
260.	**Pre-tax profit (loss) for the period from continuing operations**	**153.495.194**	**162.225.543**
270.	Income taxes for the period relating to continuing operations	(27.675.000)	(28.114.000)
280.	**Profit (loss) from continuing operations, net of taxes**	125.820.194	134.111.543
300.	**Profit (loss) for the period**	**125.820.194**	**134.111.543**

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Statement of Comprehensive Income

	ITEMS (in Euro)	30.09.2024	30.09.2023
10.	**Profit (Loss) for the period**	**125.820.194**	**134.111.543**
	Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**(495.980)**	**(4.570.666)**
20.	Equity securities measured at fair value through other comprehensive income	(486.399)	(4.714.501)
30.	Financial liabilities measured at fair value through profit or loss (changes in own credit risk)	-	-
40.	Hedging of equity securities measured at fair value through other comprehensive income	(54.706)	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	45.125	143.835
80.	Non-current assets and disposal groups	-	-
90.	Share of valuation reserves of equity accounted investments	-	-
	Other comprehensive income, net of taxes, to be reclassified to profit or loss	**4.251.898**	**4.440.585**
100.	Foreign investment hedges	-	-
110.	Exchange differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated items)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	4.251.898	4.440.585
150.	Non-current assets and disposal groups	-	-
160.	Share of valuation reserves of equity accounted investments	-	-
170.	**Other comprehensive income, net of taxes**	**3.755.918**	**(130.081)**
180.	**Comprehensive income (Item 10 + 170)**	**129.576.112**	**133.981.462**

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Statement of Changes in Equity at 30 September 2024

(in units of Euro)	Balance at 31.12.2023	Change in opening balances	Balance at 01.01.2023	Allocation of profit from previous year		Changes in the period									Equity at 30.09.2024
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions							Comprehensive income for the period at 30.09.2023	
							Issue of new shares	Buyback of treasury	Interim dividends	Extraordinary distribution of	Changes in equity	Derivatives on treasury	Stock options		
Share capital:															
a) ordinary shares	53.811.095	-	53.811.095	-	-	-	-	-	-	-	-	-	-	-	**53.811.095**
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share premiums	84.107.651	-	84.107.651	-	-	826.857	418.735	-	-	-	-	-	-	-	**85.353.243**
Reserves:															
a) retained earnings	1.196.851.787	-	1.196.851.787	33.221.037	-	(9.392.206)	-	-	-	-	-	-	-	-	**1.220.680.618**
b) other	4.326.206	-	4.326.206	-	-	-	-	-	-	-	-	-	155.193	-	**4.481.399**
Valuation reserves	(33.085.299)	-	(33.085.299)	-	-	8.808.993	-	-	-	-	-	-	-	3.755.918	**(20.520.388)**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Interim dividends	(62.961.692)	-	(62.961.692)	-	62.961.692	-	-	-	-	-	-	-	-	-	**-**
Treasury shares	(21.817.335)	-	(21.817.335)	-	-	-	826.858	-	-	-	-	-	-	-	**(20.990.477)**
Profit (loss) for the period	143.403.999	-	143.403.999	(33.221.037)	(110.182.962)	-	-	-	-	-	-	-	-	125.820.194	**125.820.194**
Equity	**1.364.636.412**	**-**	**1.364.636.412**	**-**	**(47.221.270)**	**243.644**	**1.245.593**	**-**	**-**	**-**	**-**	**-**	**155.193**	**129.576.112**	**1.448.635.684**

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Statement of Changes in Equity at 30 September 2023

(in units of Euro)	Balance at 31.12.2022	Change in opening balances	Balance at 01.01.2023	Allocation of profit from previous year		Changes in the period									Equity at 30.09.2023
							Equity transactions								
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Buyback of treasury shares	Interim dividends	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for the period at 30.09.2023	
Share capital:															
a) ordinary shares	53.811.095	-	53.811.095	-	-	-	-	-	-	-	-	-	-	-	**53.811.095**
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share premiums	83.766.584	-	83.766.584	-	-	286.724	54.343	-	-	-	-	-	-	-	**84.107.651**
Reserves:															
a) retained earnings	1.194.780.799	-	1.194.780.799	6.378.451	-	(1.987.806)	-	-	-	-	-	-	-	-	**1.199.171.444**
b) other	3.218.204	-	3.218.204	-	-	-	-	-	-	-	-	-	820.481	-	**4.038.685**
Valuation reserves	(50.653.450)	-	(50.653.450)	-	-	2.530.546	-	-	-	-	-	-	-	(130.081)	**(48.252.984)**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Interim dividends	(52.433.114)	-	(52.433.114)	-	52.433.114	-	-	-	-	-	-	-	-	-	**-**
Treasury shares	(22.104.058)	-	(22.104.058)	-	-	-	286.723	-	-	-	-	-	-	-	**(21.817.335)**
Profit (loss) for the period	79.796.332	-	79.796.332	(6.378.451)	(73.417.881)	-	-	-	-	-	-	-	-	134.111.543	**134.111.543**
Equity	**1.290.182.392**	**-**	**1.290.182.392**	**-**	**(20.984.767)**	**829.464**	**341.066**	**-**	**-**	**-**	**-**	**-**	**820.481**	**133.981.462**	**1.405.170.099**

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Statement of Cash Flows

ITEMS (in Euro)	30.09.2024	30.09.2023
A. OPERATING ACTIVITIES		
1. Operations	**101.649.596**	**123.173.959**
- profit (loss) for the period (+/-)	125.820.194	134.111.543
- profit/loss on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	(20.851.147)	(5.305.669)
- gains/losses on hedging (-/+)	428.054	834.321
- net credit risk losses/reversals (+/-)	23.896.695	33.745.784
- net impairment losses/reversals on property, plant and equipment and intangible assets (+/-)	14.931.766	11.467.027
- net allocations to provisions for risks and charges and other expenses/income (+/-)	6.606.381	7.884.960
- unpaid taxes, duties and tax credits (+/-)	27.675.000	28.114.000
- other adjustments (+/-)	(76.857.346)	(87.678.007)
2. Cash flows generated/absorbed by financial assets	**868.552.290**	**26.434.936**
- financial assets held for trading	(6.896.325)	(3.536.055)
- other assets mandatorily measured at fair value	(8.896.901)	10.877.680
- financial assets measured at fair value through other comprehensive income	272.071.340	(80.983.682)
- financial assets measured at amortised cost	558.556.126	10.133.368
- other assets	53.718.050	89.943.625
3. Cash flows generated/absorbed by financial liabilities	**(982.074.035)**	**660.072.058**
- financial liabilities measured at amortised cost	(966.563.587)	686.838.479
- financial liabilities held for trading	341.911	(5.049.076)
- other liabilities	(15.852.360)	(21.717.345)
Net cash flows generated/absorbed by operating activities A (+/-)	**(11.872.149)**	**809.680.953**
B. INVESTING ACTIVITIES		
1. Cash flows generated by	**72.000.000**	**89.000.000**
- sale of property, plant and equipment	-	-
- sales of subsidiaries and business units	72.000.000	89.000.000
2. Cash flows absorbed by	**(65.101.112)**	**(39.542.332)**
- purchases of equity investments	(30.952.000)	(14.937.000)
- purchases of property, plant and equipment	(23.956.164)	(12.705.190)
- purchases of intangible assets	(10.192.948)	(11.900.142)
- purchases of subsidiaries and business units	-	-
Net cash flows generated/absorbed by investing activities B (+/-)	**6.898.888**	**49.457.668**
C. FINANCING ACTIVITIES		
- issues/buyback of treasury shares	-	-
- distribution of dividends and other	(47.230.666)	(20.833.994)
- sale/purchase of minority control	-	-
Net cash flows generated/absorbed by financing activities C (+/-)	**(47.230.666)**	**(20.833.994)**
NET CASH GENERATED/USED DURING THE PERIOD D=A+/-B+/-C	**(52.203.927)**	**838.304.627**

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Reconciliation of the Statement of Cash Flows

ITEMS (in Euro)	30.09.2024	30.09.2023
OPENING CASH AND CASH EQUIVALENTS E	599.016.467	440.113.632
TOTAL NET CASH GENERATED/USED DURING THE PERIOD D	(52.203.927)	838.304.627
CASH AND CASH EQUIVALENTS: EFFECT OF CHANGES IN EXCHANGE RATES F	-	-
CLOSING CASH AND CASH EQUIVALENTS G=E+/-D+/-F	546.812.540	1.278.418.259

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Explanatory notes

Basis of preparation and accounting policies

These financial statements at 30 September 2024, prepared in accordance with Article 2433-bis of the Italian Civil Code, consist of the financial statements (balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows) and these Notes. The aforementioned statements were prepared by applying the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS-IC) endorsed by the European Commission in accordance with the procedure set forth in Article 6 of European Regulation No. 1606/2002. This regulation was implemented in Italy with Italian Legislative Decree No. 38 of 28 February 2005.

This document does not include the explanatory notes that would be required to give a true and fair view of the financial position and results of operations of Banca Ifis S.p.A. in accordance with the applicable international accounting standard for interim financial reporting (IAS 34) adopted by the European Union.

The accounting standards used in preparing the accounting statements at 30 September 2024, as far as the classification, recognition, measurement, and derecognition of financial assets and liabilities as well as the methods for recognising revenue and costs are concerned, are unchanged compared to the ones used in preparing the financial statements as at 31 December 2023 of Banca Ifis S.p.A, to which specific reference is made.

Information on the business as a going concern

The Bank of Italy, Consob and Isvap, with document No. 2 issued on 6 February 2009 (“Disclosure in financial reports on the going concern assumption, financial risks, asset impairment tests and uncertainties in the use of estimates”), together with the subsequent document No. 4 of 4 March 2010, require directors to assess with particular accuracy the existence of the company as a going concern, as per IAS 1.

Unlike in the past, present conditions on financial markets and in the real economy, together with the uncertainties in short-term forecasts, require particularly accurate assessments of the going concern assumption, as records of the Bank’s profitability and easy access to financial resources may no longer be sufficient in the current context.

In this regard, having examined the risks arising from the current macroeconomic context, including in light of the current situation, geopolitical tensions and the related possible macroeconomic implications, including those arising from international tensions related to the Middle East, the directors have not identified any risks or uncertainties that might raise doubts as to the company’s ability to continue as a going concern and the expectation that Banca Ifis will continue to operate in the foreseeable future is considered reasonable and, consequently, the Financial Statements at 30 September 2024 are prepared on a going concern basis. For more details on the analyses conducted with reference to international tensions, please refer to the specific section of this document entitled “Information on international tensions”.

Uncertainties connected to credit and liquidity risks are considered not significant or, at least, not significant enough to raise doubts over the company’s ability to continue as a going concern, thanks also to the good profitability levels that Banca Ifis has consistently achieved, to the quality of its loans, and to its current access to financial resources.

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Other aspects

Highlights for assessments at 30 September 2024

Environmental and climatic aspects

The consideration of environmental and climate aspects represents an important element of attention in the strategy pursued by the Bank, capable of influencing its operational activities, objectives and business conduct, in the awareness that it can play a leading role in the action against climate change.

With this in mind, the Bank became more aware of the impact of ESG topics on its business model, competitive environment as well as its objectives and strategies, in its role as a guide for companies and private customers in the transition process towards an economy that combines economic sustainability with environmental and social sustainability.

For specific information on the Bank's environmental and climate risk management, projects launched and the effects on the Bank's equity and economic position please refer to the section "Management of risks linked to climate change" in the section "Information on risks and related hedging policies" of the Notes to the Consolidated Half-Year Financial Report.

Macroeconomic environment

With reference to the macroeconomic context, note that in the current environment, macroeconomic forecasts are characterised by significant uncertainty factors, thus requiring significant judgement in the selection of assumptions and forecasts to be used as reference in budgetary assessments.

The high credit cost is still expected to slow down global demand for investment and durable goods.

Future projections may be impacted by possible disruptions or slowdowns in global chains, resulting in particular from attacks on shipping traffic in the Red Sea, or increases in energy prices caused by the continuation or escalation of tensions in the Middle East, could weigh on the outlook scenarios.

World and European production estimates are pointing to moderate growth, and our country's economy is also expected to move along a weak growth path.

However, there is a possibility that the lack of dynamism in world trade will persist for a long time and that this could have a negative impact on the Italian economy. In particular, there are three international risk fronts:

- the weakness of China's economy;
- the worsening international political tensions, which, by affecting the confidence of households and businesses, could weaken the domestic market and drive commodity prices up;
- a further tightening of financing conditions with an impact on the pro-cyclical dynamics of investments.

In any case, positive signs can be derived from the following considerations:

- the US and European economies have proven resilient to rising interest rates, thanks to a combination of expansionary fiscal policies, high liquidity available in the financial markets and strong demand for labour;
- inflation, consumer spending and excess demand in the labour market started a downward trend, which is expected to continue;
- the wars in the Middle East and Ukraine did not cause shocks to the world economy, remaining confined to specific territories;
- at the end of 2023, central banks ended the cycle of interest rate hikes that began in 2022 and in the course of 2024 started a process of lowering them (with reference to the European context, the ECB decided on a rate cut of 25 basis points at the beginning of June 2024, of 25 basis points in September and of a further 25 basis points in October 2024) with the aim of continuing the gradual decline in inflation and preventing an excessive contraction of domestic demand.

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With particular regard to the impact on the equity and economic position at 30 September 2024, please refer to the section below "Risks and uncertainties related to estimates" of this section "Other aspects".

Risks and uncertainties related to estimates

Using accounting standards often requires management to make estimates and assumptions that affect the carrying amounts of assets and liabilities in the accounts and disclosure of contingent assets and liabilities. In making the assumptions underlying the estimates, management considers all available information at the reporting date of these accounting statements, as well as any other factor deemed reasonable for this purpose, also as a consequence of the current macroeconomic scenario.

Specifically, it made estimates on the carrying amounts of some items recognised in this document at 30 September 2024, as per the international accounting standards. These estimates are largely based on the expected future recoverability of the amounts recognised and were made on a going concern basis. Such estimates support the carrying amounts reported at 30 September 2024.

By their very nature, it is therefore not possible to rule out the possibility that the assumptions made, however reasonable, may not be confirmed in the future scenarios in which the Bank will find itself operating. Future results may therefore differ from the estimates made, and adjustments to the carrying value of assets and liabilities recognised in this document, which cannot be foreseen or estimated at the date of this document, may be necessary. In this regard, it should be noted that adjustments in financial statement estimates may become necessary as a result of changes in the circumstances on which they were based, new information or increased experience.

The accounting policies considered most critical to the true and fair representation of the Bank's financial position, results of operations and cash flows are illustrated below, both for the materiality of the amounts to be recognised in the financial statements impacted by these policies, and for the high degree of judgement required in the valuations, which implies the use of estimates and assumptions by management. In particular, the aspects that required the use of complex estimates with significant assumptions are:

- determination of the fair value of receivables and financial instruments not quoted in active markets;
- measurement of the expected credit loss for financial assets measured at amortised cost;
- estimate of provisions for risks and charges;
- assessment in respect of the potential recovery of Deferred Tax Assets (DTAs);
- equity investments.

For the types of assets listed above (with the exception of equity investments), the principal issues regarding risks and uncertainties associated with estimates are discussed in the following paragraphs. As instead regards the situations relative to equity investments, reference should be made to the valuation criteria described in paragraph A.2 - Part relating to the main items of the individual financial statements at 31 December 2023.

Determination of the fair value of receivables and financial instruments not quoted in active markets

In the presence of receivables and financial instruments not quoted in active markets or illiquid and complex instruments, it is necessary to activate adequate valuation processes characterised with certain judgement on the choice of valuation models and related input parameters, which may sometimes not be observable in the market. There is a degree of subjectivity involved in assessing whether certain inputs are observable and categorising them within the fair value hierarchy accordingly. For qualitative and quantitative information on the method to determine the fair value of instruments measured at fair value, reference should be made to paragraph "A.2 - Main items of the financial statements" of the individual financial statements at 31 December 2023.

Measurement of the expected credit loss for financial assets measured at amortised cost

The determination of the ECL for financial assets measured at amortised cost is a complex process that requires the use of significant assumptions and estimates.

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For financial assets for which no objective evidence of loss has been individually identified, i.e. for unimpaired ("performing") exposures, the impairment model involves the need to identify whether or not there has been a significant deterioration since the date of initial recognition of the exposure and the allocation to the three stages of credit risk under IFRS 9 of loans and debt securities classified as Financial assets at amortised cost and as Financial assets at fair value through other comprehensive income.

The IFRS 9 impairment model requires, in fact, that losses be determined with reference to the time horizon of one year for financial assets that have not undergone a significant deterioration in credit risk since initial recognition (Stage 1) rather than by reference to the entire life of the instrument if a significant deterioration or indicator of impairment has been established (Stage 2 and Stage 3).

It therefore follows that the calculation of the relevant expected losses requires an articulated estimation process that mainly concerns:

- the determination of PD and LGD risk parameters including forward-looking information;
- the assessment of the presence of a significant increase in credit risk, based on criteria that consider qualitative and quantitative information;
- the measurement of certain elements necessary for the determination of estimated future cash flows arising from non-performing loans: the expected debt collection times, the presumed realisable value of any guarantees, the costs that it is deemed will be incurred to recover the credit exposure and lastly the likelihood of sale for positions for which there is a disposal plan.

Within the range of possible approaches to estimation models permitted by the relevant international accounting standards, the use of specific methodologies or the selection of certain estimation parameters may significantly influence the measurement of such assets. These methodologies and parameters are necessarily subject to a continuous updating process, also in light of the historical evidence available, with the aim of refining the estimates to better represent the estimated realisable value of the credit exposure.

A new model for the Stage Allocation component was developed in 2024 to improve the robustness of the estimates. The updates mainly concerned methodological choices that further strengthen the estimation process or model evolutions that ensure greater adherence to industry best practices and the guidance formulated over time by supervisory authorities.

For qualitative and quantitative information on the measurement of the Expected Credit Loss for financial assets measured at amortised cost, refer to the corresponding section of the Notes to the Condensed Consolidated Half-Year Financial Statements as at 30 June 2024 and the Annual Financial Statements closed at 31 December 2023.

Estimate of provisions for risks and charges

The Bank is a party to certain types of litigation and is also exposed to numerous contingent liabilities. The complexities of the specific situations underlying the pending litigations, together with possible interpretation issues, require in certain circumstances significant judgement in estimating the liabilities that may arise upon settlement of the pending litigations. The difficulties of assessment affect both the an and the quantum, as well as the timing of the eventual manifestation of the liability, and are particularly evident when the proceedings initiated are at an early stage. These circumstances make the valuation of contingent liabilities difficult. As a result, the classification of contingent liabilities and the consequent valuation of the necessary provisions are sometimes based on non-objective elements of judgement and require the use of even complex estimation procedures.

Specifically, the Bank recognises a liability when:

- a legal or constructive obligation exists as a result of a past event;
- it is likely that it will be necessary to spend resources which could generate economic benefits to settle the obligation;
- the amount of the obligation can be reliably estimated.

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Should all these conditions not be met, no liability is recognised.

The amount recognised as a provision represents the best estimate of the expense required to meet the obligation and reflects the risks and uncertainties regarding the facts and circumstances in question.

Where the cost deferral is significant, the amount of the provision is determined as the present value of the best estimate of the cost to settle the obligation. In this case a discount rate is used that reflects current market assessments.

The provisions made are periodically reviewed and, if necessary, adjusted to reflect the best current estimate. When the review finds that the cost is unlikely to be incurred, the provision is reversed.

The provisions for risks and charges on commitments and guarantees granted include the provisions for credit risk set aside for loan commitments and the other guarantees granted that fall within the scope of the impairment rules in IFRS 9. As a general rule, in this case the Bank adopts the same methods for allocating items to three credit risk Stages and calculating expected credit losses as the ones described for financial assets measured at amortised cost or at fair value through other comprehensive income.

Assessment in respect of the potential recovery of Deferred Tax Assets (DTAs)

Assets recognised in the financial statements include Deferred Tax Assets (DTAs) mainly generated by temporary differences between the date certain business costs are recognised in the income statement and the date on which the same costs may be deducted, rather than arising from tax loss carry-forwards.

In accordance with accounting standard IAS 12, referred to in the "Group Impairment Policy", a tax asset can only be recognised to the extent that it is probable that future taxable income will be available to allow for its recoverability.

Recognition of these assets and their subsequent maintenance therefore presupposes an assessment of the likelihood of their recovery. This assessment is not carried out for deferred tax assets pursuant to Law No. 214 of 22 December 2011, which can be transformed into tax credits in the event of the recognition of a "statutory loss", a "tax loss" for IRES tax purposes and a "negative net production value" for IRAP tax purposes, and for which the relative recovery is therefore certain regardless of the ability to generate future income.

For the remaining tax assets that cannot be transformed into tax credits, the judgement of their likelihood is supported by a valuation exercise of recoverability (referred to as the "probability test"). Based on the provisions of IAS 12 and the considerations made by ESMA in its paper of 15 July 2019, the aforementioned assessment of recoverability requires a careful reconnaissance of all evidence supporting the likelihood of having sufficient taxable income in the future, also taking into account the circumstances that generated the tax losses, which should be traced back to clearly identified causes that are deemed to be non-repeatable in the future on a recurring basis.

With reference to the recoverability of deferred tax assets recognised at 30 September 2024 other than those transformable pursuant to Law 2014/2011, based on future taxable income inferable from the Group's 2022-2024 Business Plan to be deemed confirmed in light of the results as at 30 September 2024, no elements have emerged that could lead to deeming the DTAs in question, amounting to a total of 69,6 million Euro at 30 September 2024, to be non-recoverable. Accordingly, the assessment of the recoverability of the aforementioned DTAs, albeit over a medium-term time horizon, made when preparing the Financial Statements for the year ended 31 December 2023, is confirmed. Specifically, out of the overall total of 184,6 million Euro, the 115,0 million Euro portion attributable to Law 214/2011 (equal to 62,3% of the total DTA) will be reversed by 2026 due to express regulatory provision. The portion referring to prior tax losses and aid for economic growth ("ACE") surpluses, totalling 40 million Euro (or 21,7% of the total DTA) will be fully recovered from 2027 to 2032 (of which approximately 30 million Euro by 2028). The remaining 29,6 million Euro (equal to 16% of total DTAs) refers mainly to financial assets measured at fair value with through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve.

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Information on international tensions

This section aims to provide a specific disclosure on the impacts generated by international tensions, above all with reference to the Middle East and the continuing Russia-Ukraine conflict.

At the Banca Ifis Group level, country risk monitoring is carried out on conflict-affected countries. This continuous monitoring has revealed a limited number of counterparties present in the areas involved by the current international tensions, to which modest direct credit exposures correspond. Similarly, no particular critical issues have been noted with regard to the trade receivables portfolio.

Furthermore, the Risk Management function, in addition to the risk factors usually considered, continues to deem it reasonable to include the current geopolitical tense situation as an additional risk factor.

In particular, this situation has been considered within the institutional documentation (RAF, Recovery Plan and ICAAP/ILAAP Report) from a twofold point of view: on the one hand as a worsening of severities and inclusion of new stress assumptions in the stress test framework, and on the other hand as an extra capital requirement against the strategic and sovereign risks assumed by the Group.

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Declaration of the Manager Charged

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

The Manager charged with preparing the Company's financial reports, in the person of Massimo Luigi Zanaboni, hereby

DECLARES

pursuant to Article 154-bis, second paragraph, of Legislative Decree No. 58 of 24 February 1998, "Consolidated Law on Financial Intermediation", that the accounting information contained in this Consolidated Interim Report at 30 September 2024 and the 2024 Interim Dividend Distribution Report of Banca Ifis coincides with the documented results, books and accounting records.

Venice - Mestre, 7 November 2024

The Manager Charged with preparing
the Company's financial reports

Massimo Luigi Zanaboni

This report has been translated into the English language solely for the convenience of international readers.

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Annexes

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Reconciliation between reclassified consolidated financial statements and consolidated financial statements

RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)			30.09.2024	31.12.2023
Cash and cash equivalents			**684.197**	**857.533**
+	*10.*	*Cash and cash equivalents*	*684.197*	*857.533*
Financial assets held for trading			**17.407**	**12.896**
+	*20.a*	*Financial assets measured at fair value through profit or loss: a) financial assets held for trading*	*17.407*	*12.896*
Financial assets mandatorily measured at fair value through profit or loss			**250.095**	**221.982**
+	*20.c*	*Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value*	*250.095*	*221.982*
Financial assets measured at fair value through other comprehensive income			**490.254**	**749.176**
+	*30.*	*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**
+	*40.a*	*Financial assets measured at amortised cost: a) receivables due from banks*	*656.210*	*637.567*
Receivables due from customers measured at amortised cost			**10.089.827**	**10.622.134**
+	*40.b*	*Financial assets measured at amortised cost: b) receivables due from customers*	*10.089.827*	*10.622.134*
Hedging derivatives			**1.173**	**-**
+	*50.*	*Hedging derivatives*	*1.173*	*-*
Equity investments			**976**	**24**
+	*70.*	*Equity investments*	*976*	*24*
Property, plant and equipment			**162.420**	**143.255**
+	*90.*	*Property, plant and equipment*	*162.420*	*143.255*
Intangible assets			**81.031**	**76.667**
+	*100.*	*Intangible assets*	*81.031*	*76.667*
of which: - goodwill			***38.020***	***38.020***
Tax assets			**227.446**	**285.435**
a) current			**19.522**	**46.601**
+	*110.a*	*Tax assets: a) current*	*19.522*	*46.601*
b) deferred			**207.924**	**238.834**
+	*110.b*	*Tax assets: b) deferred*	*207.924*	*238.834*
Other assets			**385.006**	**444.692**
+	*130.*	*Other assets*	*385.006*	*444.692*
Total assets			**13.046.042**	**14.051.361**

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RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)			30.09.2024	31.12.2023
Payables due to banks			**861.064**	**2.717.139**
+	*10.a*	*Financial liabilities measured at amortised cost: a) payables due to banks*	*861.064*	*2.717.139*
Payables due to customers			**6.801.300**	**5.814.624**
+	*10.b*	*Financial liabilities measured at amortised cost: b) payables due from customers*	*6.801.300*	*5.814.624*
Debt securities issued			**3.079.718**	**3.288.895**
+	*10.c*	*Financial liabilities measured at amortised cost: c) securities issued*	*3.079.718*	*3.288.895*
Financial liabilities held for trading			**14.347**	**14.005**
+	*20.*	*Financial liabilities held for trading*	*14.347*	*14.005*
Hedging derivatives			**13.991**	**11.644**
+	*40.*	*Hedging derivatives*	*13.991*	*11.644*
Tax liabilities			**52.293**	**57.717**
a) current			**20.727**	**26.025**
+	*60.a*	*Tax liabilities: a) current*	*20.727*	*26.025*
b) deferred			**31.566**	**31.692**
+	*60.b*	*Tax liabilities: b) deferred*	*31.566*	*31.692*
Other liabilities			**379.522**	**387.554**
+	*80.*	*Other liabilities*	*379.522*	*387.554*
Post-employment benefits			**7.814**	**7.906**
+	*90.*	*Post-employment benefits*	*7.814*	*7.906*
Provisions for risks and charges			**55.598**	**58.178**
+	*100.a*	*Provisions for risks and charges: a) commitments and guarantees granted*	*5.954*	*5.374*
+	*100.b*	*Provisions for risks and charges: b) pensions and similar obligations*	*232*	*196*
+	*100.c*	*Provisions for risks and charges: c) other provisions for risks and charges*	*49.412*	*52.608*
Valuation reserves			**(25.915)**	**(39.215)**
+	*120.*	*Valuation reserves*	*(25.915)*	*(39.215)*
Reserves			**1.546.112**	**1.505.424**
+	*150.*	*Reserves*	*1.546.112*	*1.505.424*
Interim dividends (-)			**-**	**(62.962)**
+	*155.*	*Interim dividends (-)*	*-*	*(62.962)*
Share premiums			**85.353**	**84.108**
+	*160.*	*Share premiums*	*85.353*	*84.108*
Share capital			**53.811**	**53.811**
+	*170.*	*Share capital*	*53.811*	*53.811*
Treasury shares (-)			**(20.990)**	**(21.817)**
+	*180.*	*Treasury shares (-)*	*(20.990)*	*(21.817)*
Equity attributable to non-controlling interests (+/-)			**15.456**	**14.240**
+	*190.*	*Equity attributable to non-controlling interests (+/-)*	*15.456*	*14.240*
Profit (loss) for the period			**126.568**	**160.110**
+	*200.*	*Profit (loss) for the period (+/-)*	*126.568*	*160.110*
Total liabilities and equity			**13.046.042**	**14.051.361**

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RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		30.09.2024	30.09.2023
Net interest income		**404.399**	**409.506**
+ 30.	***Net interest income***	***309.366***	***324.358***
	+ 10. Interest receivable and similar income	*640.621*	*560.882*
	+ 20. Interest due and similar expenses	*(331.255)*	*(236.524)*
+ 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*95.033*	*85.148*
Net commission income		**69.566**	**74.299**
+ 60.	***Net commission income***	***69.566***	***74.299***
	+ 40. Commission income	*84.270*	*84.360*
	+ 50. Commission expense	*(14.704)*	*(10.061)*
Other components of net banking income		**57.871**	**28.552**
+ 70.	*Dividends and similar income*	*11.016*	*13.419*
+ 80.	*Net profit (loss) from trading*	*(2.497)*	*(3.065)*
+ 90.	*Net result from hedging*	*(997)*	*(834)*
+ 100.a	*Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost*	*25.840*	*8.132*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*332*	*-*
+ 100.b	*Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income*	*4.873*	*1.344*
+ 100.c	*Gains (losses) on sale/buyback of: c) financial liabilities*	*87*	*1.005*
+ 110.b	*Net result of other financial assets and liabilities measured at fair value through profit or loss: b) other financial assets mandatorily measured at fair value*	*19.217*	*8.551*
Net banking income		**531.836**	**512.357**
+ 120.	*Net banking income*	*436.471*	*427.209*
+ 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*95.033*	*85.148*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*332*	*-*
Net credit risk losses/reversals		**(28.875)**	**(30.870)**
+ 130.a	*Net credit risk losses/reversals related to: a) financial assets measured at amortised cost*	*66.439*	*52.128*
- 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*(95.033)*	*(85.148)*
+ 130.b	*Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income*	*694*	*(234)*
+ 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(332)*	*-*
+ 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*(643)*	*2.384*
Net profit (loss) from financial activities		**502.961**	**481.487**
+ 150.	*Net profit (loss) from financial activities*	*503.604*	*479.103*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*332*	*-*
+ 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(332)*	*-*
+ 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*(643)*	*2.384*

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RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		30.09.2024	30.09.2023
Administrative expenses		**(304.798)**	**(287.431)**
a) personnel expenses		**(127.235)**	**(120.466)**
+ 190.a	*a) personnel expenses*	*(127.235)*	*(120.466)*
b) other administrative expenses		**(177.563)**	**(166.965)**
+ 190.b	*b) other administrative expenses*	*(186.240)*	*(172.395)*
- 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*556*	*1.320*
- 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*8.121*	*4.110*
Net impairment losses/reversals on property, plant and equipment and intangible assets		**(17.019)**	**(13.024)**
+ 210.	*Net impairment losses/reversals on property, plant and equipment*	*(9.079)*	*(7.068)*
+ 220.	*Net impairment losses/reversals on intangible assets*	*(7.940)*	*(5.956)*
Other operating income/expenses		**22.153**	**17.360**
+ 230.	*Other operating income/expenses*	*22.153*	*17.360*
Operating costs		**(299.664)**	**(283.095)**
+ 240.	*Operating costs*	*(309.549)*	*(292.858)*
- 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*556*	*1.320-*
- 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*8.121*	*4.110*
- 200.	*Net allocations to provisions for risks and charges*	*1.208*	*4.333*
Charges related to the banking system		**(8.121)**	**(10.332)**
+ 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*(8.121)*	*(4.110)*
+ 200.a (partial)	*Net provisions on commitments and guarantees issued: contributions to resolution and deposit protection funds*	*-*	*(6.222)*
Net allocations to provisions for risks and charges		**(565)**	**(495)**
+ 200.a	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	*(643)*	*(3.838)*
- 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*643*	*(2.384)*
- 200.a (partial)	*Net provisions on commitments and guarantees issued: contributions to resolution and deposit protection funds*	*-*	*6.222*
+ 200.b	*Net allocations to provisions for risks and charges: b) other net allocations*	*(565)*	*(495)*
Non-recurring expenses and income		**(556)**	**(1.320)**
+ 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*(556)*	*(1.320)*
Pre-tax profit (loss) for the period from continuing operations		**194.055**	**186.245**
+ 290.	*Pre-tax profit (loss) for the period from continuing operations*	*194.055*	*186.245*
Income taxes for the period relating to continuing operations		**(66.270)**	**(60.120)**
+ 300.	*Income taxes for the period relating to continuing operations*	*(66.270)*	*(60.120)*
Profit (loss) for the period		**127.785**	**126.125**
+ 330.	*Profit (loss) for the period*	*127.785*	*126.125*
(Profit) loss for the period attributable to non-controlling interests		**(1.217)**	**(1.384)**
+ 340.	*Profit (loss) for the period attributable to non-controlling interests*	*(1.217)*	*(1.384)*
Profit (loss) for the period attributable to the Parent Company		**126.568**	**124.741**
+ 350.	*Profit (loss) for the period attributable to the Parent Company*	*126.568*	*124.741*

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Reconciliation between reclassified financial statements and the financial statements of Banca Ifis

RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)			30.09.2024	31.12.2023
Cash and cash equivalents			**546.813**	**599.016**
+	*10.*	*Cash and cash equivalents*	*546.813*	*599.016*
Financial assets held for trading			**8.868**	**583**
+	*20.a*	*Financial assets measured at fair value through profit or loss: a) financial assets held for trading*	*8.868*	*583*
Financial assets mandatorily measured at fair value through profit or loss			**243.825**	**215.466**
+	*20.c*	*Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value*	*243.825*	*215.466*
Financial assets measured at fair value through other comprehensive income			**490.249**	**749.171**
+	*30.*	*Financial assets measured at fair value through other comprehensive income*	*490.249*	*749.171*
Receivables due from banks measured at amortised cost			**663.292**	**634.802**
+	*40.a*	*Financial assets measured at amortised cost: a) receivables due from banks*	*663.292*	*634.802*
Receivables due from customers measured at amortised cost			**8.590.820**	**9.201.981**
+	*40.b*	*Financial assets measured at amortised cost: b) receivables due from customers*	*8.590.820*	*9.201.981*
Hedging derivatives			**1.173**	**-**
+	*50.*	*Hedging derivatives*	**1.173**	*-*
Equity investments			**701.182**	**672.528**
+	*70.*	*Equity investments*	*701.182*	*672.528*
Property, plant and equipment			**159.127**	**140.811**
+	*80.*	*Property, plant and equipment*	*159.127*	*140.811*
Intangible assets			**36.432**	**32.993**
+	*90.*	*Intangible assets*	*36.432*	*32.993*
of which: - goodwill			**-**	**-**
Tax assets			**195.858**	**238.925**
a) current			**11.287**	**29.270**
+	*100.a*	*Tax assets: a) current*	*11.287*	*29.270*
b) deferred			**184.571**	**209.655**
+	*100.b*	*Tax assets: b) deferred*	*184.571*	*209.655*
Other assets			**338.568**	**376.896**
+	*120.*	*Other assets*	*338.568*	*376.896*
Total assets			**11.976.207**	**12.863.172**

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RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)			30.09.2024	31.12.2023
Payables due to banks			**747.489**	**2.604.466**
+	*10.a*	*Financial liabilities measured at amortised cost: a) payables due to banks*	*747.489*	*2.604.466*
Payables due to customers			**7.891.461**	**7.077.199**
+	*10.b*	*Financial liabilities measured at amortised cost: b) payables due from customers*	*7.891.461*	*7.077.199*
Debt securities issued			**1.514.540**	**1.435.852**
+	*10.c*	*Financial liabilities measured at amortised cost: c) securities issued*	*1.514.540*	*1.435.852*
Financial liabilities held for trading			**14.347**	**14.005**
+	*20.*	*Financial liabilities held for trading*	*14.347*	*14.005*
Hedging derivatives			**13.991**	**11.644**
+	*40.*	*Hedging derivatives*	*13.991*	*11.644*
Tax liabilities			**37.746**	**38.268**
a) current			**7.880**	**8.799**
+	*60.a*	*Tax liabilities: a) current*	*7.880*	*8.799*
b) deferred			**29.866**	**29.469**
+	*60.b*	*Tax liabilities: b) deferred*	*29.866*	*29.469*
Other liabilities			**251.823**	**259.975**
+	*80.*	*Other liabilities*	*251.823*	*259.975*
Post-employment benefits			**5.214**	**5.322**
+	*90.*	*Post-employment benefits*	*5.214*	*5.322*
Provisions for risks and charges			**50.962**	**51.804**
+	*100.a*	*Provisions for risks and charges: a) commitments and guarantees granted*	*5.308*	*5.248*
+	*100.b*	*Provisions for risks and charges: b) pensions and similar obligations*	*220*	*189*
+	*100.c*	*Provisions for risks and charges: c) other provisions for risks and charges*	*45.434*	*46.367*
Valuation reserves			**(20.521)**	**(33.085)**
+	*110.*	*Valuation reserves*	*(20.521)*	*(33.085)*
Reserves			**1.225.161**	**1.201.178**
+	*140.*	*Reserves*	*1.225.161*	*1.201.178*
Interim dividends (-)			**-**	**(62.962)**
+	*145.*	*Interim dividends (-)*	*-*	*(62.962)*
Share premiums			**85.353**	**84.108**
+	*150.*	*Share premiums*	*85.353*	*84.108*
Share capital			**53.811**	**53.811**
+	*160.*	*Share capital*	*53.811*	*53.811*
Treasury shares (-)			**(20.990)**	**(21.817)**
+	*170.*	*Treasury shares (-)*	*(20.990)*	*(21.817)*
Profit (loss) for the period			**125.820**	**143.404**
+	*180.*	*Profit (loss) for the period*	*125.820*	*143.404*
Total liabilities and equity			**11.976.207**	**12.863.172**

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RECONCILIATION BETWEEN THE INDIVIDUAL INCOME STATEMENT AND THE RECLASSIFIED INCOME STATEMENT (in thousands of Euro)			30.09.2024	30.09.2023
Net interest income			**159.231**	**179.323**
+	*30.*	*Net interest income*	*159.231*	*179.323*
Net commission income			**63.620**	**66.732**
+	*60.*	*Net commission income*	*63.620*	*66.732*
Other components of net banking income			**124.123**	**111.276**
+	*70.*	*Dividends and similar income*	*83.016*	*102.419*
+	*80.*	*Net profit (loss) from trading*	*1.389*	*(4.128)*
+	*90.*	*Net result from hedging*	*(997)*	*(834)*
+	*100.a*	*Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost*	*15.960*	*2.036*
-	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*332*	*-*
+	*100.b*	*Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income*	*4.873*	*1.344*
+	*100.c*	*Gains (losses) on sale/buyback of: c) financial liabilities*	*87*	*1.005*
+	*110.b*	*Net result of other financial assets and liabilities measured at fair value through profit or loss: b) other financial assets mandatorily measured at fair value*	*19.463*	*9.434*
Net banking income			**346.974**	**357.331**
Net credit risk losses/reversals			**(24.354)**	**(31.510)**
+	*130.a*	*Net credit risk losses/reversals related to: a) financial assets measured at amortised cost*	*(24.590)*	*(33.512)*
+	*130.b*	*Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income*	*694*	*(234)*
+	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*(332)*	*-*
+	*170.a (partial)*	*Net allocations for credit risk related to commitments and guarantees granted*	*(126)*	*2.236*
Net profit (loss) from financial activities			**322.620**	**325.821**
Administrative expenses			**(178.286)**	**(168.165)**
+	*160.a*	*a) personnel expenses*	*(95.167)*	*(90.178)*
+	*160.b*	*b) other administrative expenses*	*(91.124)*	*(82.414)*
-	*160.b (partial)*	*b) other administrative expenses: non-recurring charges*	*75*	*479*
-	*160.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*7.930*	*3.948*
Net impairment losses/reversals on property, plant and equipment and intangible assets			**(14.931)**	**(11.467)**
+	*180.*	*Net impairment losses/reversals on property, plant and equipment*	*(8.177)*	*(6.316)*
+	*190.*	*Net impairment losses/reversals on intangible assets*	*(6.754)*	*(5.151)*
Other operating income/expenses			**36.725**	**28.870**
+	*200.*	*Other operating income/expenses*	*36.725*	*28.870*
Operating costs			**(156.492)**	**(150.762)**
+	*210.*	*Operating costs*	*(164.497)*	*(155.189)*
-	*160.b (partial)*	*b) other administrative expenses: non-recurring charges*	*75*	*479*
-	*160.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*7.930*	*3.948*
Charges related to the banking system			**(7.930)**	**(9.955)**

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RECONCILIATION BETWEEN THE INDIVIDUAL INCOME STATEMENT AND THE RECLASSIFIED INCOME STATEMENT (in thousands of Euro)			30.09.2024	30.09.2023
+	*160.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*(7.930)*	*(9.955)*
Net allocations to provisions for risks and charges			**(2.330)**	**(387)**
+	*170.a*	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	(126)	(3.771)
-	*170.a (partial)*	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	126	3.771
+	*170.b*	*Net allocations to provisions for risks and charges: b) other net allocations*	*(2.330)*	*(387)*
Non-recurring expenses and income			**(75)**	**(479)**
+	*160.b (partial)*	*b) other administrative expenses: non-recurring charges*	*(75)*	*(479)*
Profit (loss) on equity investments			**(2.298)**	**(2.012)**
+	*220.*	*Profit (loss) on equity investments*	*(2.298)*	*(2.012)*
Pre-tax profit (Loss) for the period from continuing operations			**153.495**	**162.226**
Income taxes for the period relating to continuing operations			**(27.675)**	**(28.114)**
+	*270.*	*Income taxes for the period relating to continuing operations*	*(27.675)*	*(28.114)*
Profit (loss) for the period			**125.820**	**134.112**

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