Consolidated Interim Report at 31 March 2024

Banca Ifis

Summary

Corporate Bodies

Board of Directors in office at approval of this document

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.*

Honorary Chairman	Sebastien Egon Fürstenberg
Co-General Managers	Fabio Lanza Raffaele Zingone

Board of Statutory Auditors

Chairman	Andrea Balelli
Standing Auditors	Annunziata Melaccio Franco Olivetti
Alternate Auditors	Marinella Monterumisi Emanuela Rollino
Independent Auditors	PricewaterhouseCoopers S.p.A.
Manager Charged with preparing the Company's financial reports	Massimo Luigi Zanaboni

Parent company name - Banca Ifis S.p.A.
Fully paid-up share capital: 53.811.095 Euro
Name of reporting party - 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
Legal and administrative headquarters - Via Terraglio, 63 30174 Mestre Venice
Nature of reporting activity - Credit activity
ABI 3205.2
Tax Code and Venice Companies Register Number - 02505630109
VAT number - 04570150278
Enrolment in the Register of Banks No - 5508
Website - www.bancaifis.it

FCI
Facilitating Open Account – Receivables Finance

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Interim Directors' report on the Group

General aspects

The Consolidated Interim Report at 31 March 2024 includes the Reclassified Consolidated Financial Statements, the related Notes and this Interim Directors’ report on the Group.

To allow a more immediate reading of the results, a condensed reclassified consolidated income statement is prepared within the Interim Directors’ report on the Group. 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 quarter 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 (FRU and FRN) and the Deposit Protection Mechanism (DGS) have been 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.

Highlights

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	1.184.454	857.533	326.921	38,1%
Financial assets measured at fair value through profit or loss	252.101	234.878	17.223	7,3%
Financial assets measured at fair value through other comprehensive income	522.504	749.176	(226.672)	(30,3)%
Receivables due from banks measured at amortised cost	661.464	637.567	23.897	3,7%
Receivables due from customers measured at amortised cost	10.088.699	10.622.134	(533.435)	(5,0)%
Total assets	13.654.095	14.051.361	(397.266)	(2,8)%
Payables due to banks	1.666.614	2.717.139	(1.050.525)	(38,7)%
Payables due to customers	6.156.392	5.814.624	341.768	5,9%
Debt securities issued	3.515.924	3.288.895	227.029	6,9%
Consolidated equity	1.741.658	1.693.699	47.959	2,8%

RECLASSIFIED CONSOLIDATED INCOME STATEMENT HIGHLIGHTS (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**185.238**	**175.825**	**9.413**	**5,4%**
Net credit risk losses/reversals	(8.589)	(9.971)	1.382	(13,9)%
Net profit (loss) from financial activities	**176.649**	**165.854**	**10.795**	**6,5%**
Operating costs	**(102.120)**	**(91.077)**	**(11.043)**	**12,1%**
Charges related to the banking system	(9)	(5.863)	5.854	(99,8)%
Net allocations to provisions for risks and charges	(2.149)	(518)	(1.631)	314,9%
Non-recurring expenses and income	(40)	-	(40)	n.a.
Pre-tax profit (loss) for the period from continuing operations	**72.331**	**68.396**	**3.935**	**5,8%**
Income taxes for the period relating to continuing operations	(24.701)	(22.078)	(2.623)	11,9%
Profit (Loss) for the period	**47.630**	**46.318**	**1.312**	**2,8%**
Profit (Loss) for the period attributable to non-controlling interests	(454)	(404)	(50)	12,4%
Profit (Loss) for the period attributable to the Parent Company	**47.176**	**45.914**	**1.262**	**2,7%**

CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	31.03.2024	31.03.2023
Profit (Loss) for the period	**47.630**	**46.318**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	(478)	(376)
Other comprehensive income, net of taxes, to be reclassified to profit or loss	(314)	5.999
Consolidated comprehensive income	**46.838**	**51.941**
Consolidated comprehensive income attributable to non-controlling interests	(456)	(403)
Consolidated comprehensive income attributable to the Parent Company	**46.382**	**51.538**

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.

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 31.03.2024	137.835	*982*	-	*136.853*	52.302	48.770	**238.907**
Amounts at 31.12.2023	107.169	*975*	-	*106.194*	41.735	73.078	**221.982**
% Change	6,2%	*0,7%*	-	*28,9%*	25,3%	(33,3)%	**7,6%**
Financial assets measured at fair value through other comprehensive income							
Amounts at 31.03.2024	1.293	-	-	*1.293*	-	521.211	**522.504**
Amounts at 31.12.2023	1.333	-	-	*1.333*	-	747.843	**749.176**
% Change	(3,0)%	-	-	*(3,0)%*	-	(30,3)%	**(30,3)%**
Receivables due from customers (1)							
Amounts at 31.03.2024	6.522.046	*2.572.242*	*1.551.171*	*2.398.633*	1.618.158	1.948.495	**10.088.699**
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	(3,6)%	*(9,6)%*	*(0,1)%*	*1,4%*	(1,7)%	(11,9)%	**(5,0)%**
Goodwill							
Amounts at 31.03.2024	-	-	-	-	38.020	-	**38.020**
Amounts at 31.12.2023	-	-	-	-	38.020	-	**38.020**
% Change	-	-	-	-	0,0%	-	**0,0%**

(1) In the Governance & Services and Non-Core Segment, at 31 March 2024, there were government securities amounting to 1.388,0 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.

RECLASSIFIED INCOME STATEMENT DATA (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	**60.409**	***28.128***	***12.764***	***19.517***	**73.902**	**6.447**	**140.758**
Net commission income	**24.310**	***16.594***	***3.069***	***4.647***	**(334)**	**(902)**	**23.074**
Other components of net banking income	4.550	*8*	-	*4.542*	735	16.121	**21.406**
Net banking income	**89.269**	***44.730***	***15.833***	***28.706***	**74.303**	**21.666**	**185.238**
Net credit risk losses/reversals	(10.166)	*(2.192)*	*(1.764)*	*(6.210)*	75	1.502	**(8.589)**
Net profit (loss) from financial activities	**79.103**	***42.538***	***14.069***	***22.496***	**74.378**	**23.168**	**176.649**
Operating costs	**(43.957)**	*(24.864)*	*(8.792)*	*(10.301)*	(50.204)	(7.959)	**(102.120)**
Charges related to the banking system	-	-	-	-	-	(9)	**(9)**
Net allocations to provisions for risks and charges	(782)	*(780)*	*(56)*	*54*	262	(1.629)	**(2.149)**
Non-recurring expenses and income	-	-	-	-	(40)	-	**(40)**
Pre-tax profit (loss) for the period from continuing operations	**34.364**	***16.894***	***5.221***	***12.249***	**24.396**	**13.571**	**72.331**
Income taxes for the period relating to continuing operations	(11.736)	*(5.769)*	*(1.783)*	*(4.184)*	(8.335)	(4.630)	**(24.701)**
Profit (Loss) for the period	**22.628**	***11.125***	***3.438***	***8.065***	**16.061**	**8.941**	**47.630**
Profit (Loss) for the period attributable to non-controlling interests	-	-	-	-	-	(454)	**(454)**
Profit (Loss) for the period attributable to the Parent Company	**22.628**	***11.125***	***3.438***	***8.065***	**16.061**	**8.487**	**47.176**

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 31.03.2024	0,61%	*0,32%*	*0,45%*	*1,04%*	n.a.	(1,05)%
Amounts at 31.12.2023	0,95%	*1,13%*	*0,29%*	*1,18%*	n.a.	(1,46)%
% Change	(0,34)%	*(0,81)%*	*0,16%*	*(0,14)%*	n.a.	0,41%
Net bad loans/Receivables due from customers						
Amounts at 31.03.2024	0,3%	*0,4%*	*0,0%*	*0,3%*	78,1%	0,3%
Amounts at 31.12.2023	0,3%	*0,4%*	*0,0%*	*0,3%*	77,6%	0,3%
% Change	0,0%	*0,0%*	*0,0%*	*0,0%*	0,5%	0,0%
Coverage ratio on gross bad loans						
Amounts at 31.03.2024	82,5%	*87,5%*	*93,1%*	*52,5%*	0,0%	54,8%
Amounts at 31.12.2023	80,7%	*85,6%*	*93,5%*	*50,4%*	0,0%	53,8%
% Change	1,8%	*1,9%*	*(0,4)%*	*2,1%*	0,0%	1,0%
Net impaired assets/Net receivables due from customers						
Amounts at 31.03.2024	3,2%	*4,5%*	*0,7%*	*3,2%*	98,2%	1,3%
Amounts at 31.12.2023	3,1%	*4,5%*	*0,7%*	*3,1%*	98,2%	1,2%
% Change	0,1%	*0,0%*	*0,0%*	*0,1%*	0,0%	0,1%
Gross impaired assets/Gross receivables due from customers						
Amounts at 31.03.2024	5,6%	*8,1%*	*2,0%*	*5,1%*	98,2%	2,3%
Amounts at 31.12.2023	5,3%	*7,6%*	*1,9%*	*4,8%*	98,2%	2,0%
% Change	0,3%	*0,5%*	*0,1%*	*0,3%*	0,0%	0,3%
RWA [3]						
Amounts at 31.03.2024	5.687.832	*2.539.896*	*1.323.219*	*1.824.717*	1.875.093	1.431.390
Amounts at 31.12.2023	5.813.454	*2.737.066*	*1.344.965*	*1.731.423*	1.898.366	1.537.717
% Change	(2,2)%	*(7,2)%*	*(1,6)%*	*5,4%*	(1,2)%	(6,9)%

(1) In the Governance & Services and Non-Core Segment, at 31 March 2024, there were government securities amounting to 1.388,0 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.

Reclassified quarterly evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2024	YEAR 2023			
	Q1	Q4	Q3	Q2	Q1
Net interest income	**140.758**	**156.691**	**134.820**	**135.247**	**139.439**
Net commission income	**23.074**	**23.922**	**24.002**	**26.970**	**23.327**
Other components of net banking income	21.406	11.646	5.029	10.464	13.059
Net banking income	**185.238**	**192.259**	**163.851**	**172.681**	**175.825**
Net credit risk losses/reversals	(8.589)	(21.537)	(14.532)	(6.367)	(9.971)
Net profit (loss) from financial activities	**176.649**	**170.722**	**149.319**	**166.314**	**165.854**
Personnel expenses	(43.396)	(43.336)	(40.021)	(40.737)	(39.708)
Other administrative expenses	(61.941)	(71.251)	(51.806)	(61.343)	(53.809)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(5.174)	(4.682)	(4.472)	(4.350)	(4.202)
Other operating income/expenses	8.391	7.709	4.894	5.824	6.642
Operating costs	**(102.120)**	**(111.560)**	**(91.405)**	**(100.606)**	**(91.077)**
Charges related to the banking system	(9)	(854)	(6.242)	1.766	(5.863)
Net allocations to provisions for risks and charges	(2.149)	(6.383)	31	(8)	(518)
Non-recurring expenses and income	(40)	(1.599)	(1.320)	-	-
Gains (losses) on disposal of investments	-	986	-	-	-
Pre-tax profit (loss) for the period from continuing operations	**72.331**	**51.312**	**50.383**	**67.466**	**68.396**
Income taxes for the period relating to continuing operations	(24.701)	(15.521)	(16.264)	(21.778)	(22.078)
Profit (Loss) for the period	**47.630**	**35.791**	**34.119**	**45.688**	**46.318**
Profit (Loss) for the period attributable to non-controlling interests	(454)	(422)	(414)	(566)	(404)
Profit (Loss) for the period attributable to the Parent Company	**47.176**	**35.369**	**33.705**	**45.122**	**45.914**

Contribution of business 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 financial numerical is attributed to the Segments 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 business unit dedicated to investments in non-financial companies and in units of intermediaries;
  - Lending, a unit 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 31 March 2024.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**60.409**	**56.954**	**3.455**	**6,1%**
Net commission income	**24.310**	**23.493**	**817**	**3,5%**
Other components of net banking income	4.550	7.398	(2.848)	(38,5)%
Net banking income	**89.269**	**87.845**	**1.424**	**1,6%**
Net credit risk losses/reversals	(10.166)	(12.096)	1.930	(16,0)%
Net profit (loss) from financial activities	**79.103**	**75.749**	**3.354**	**4,4%**
Operating costs	**(43.957)**	**(40.545)**	**(3.412)**	**8,4%**
Net allocations to provisions for risks and charges	(782)	(253)	(529)	209,1%
Pre-tax profit from continuing operations	**34.364**	**34.951**	**(587)**	**(1,7)%**
Income taxes for the period relating to continuing operations	(11.736)	(11.281)	(455)	4,0%
Profit for the period	**22.628**	**23.670**	**(1.042)**	**(4,4)%**

Net income of the Commercial & Corporate Banking Segment comes to 22,6 million Euro, down 1,0 million Euro compared to 31 March 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 89,3 million Euro, up 1,4 million Euro compared to the same period of the previous year, thanks to the positive performance of the Factoring Area business units (+1,8 million Euro led by the Italy and International Branches). This result is determined by the growth in net interest income of 3,5 million Euro (+6,1%), net commissions (+0,8 million Euro, or +3,5%), the positive effect of which was partly offset by the 2,8 million Euro reduction in the result from other net banking income components, driven by lower fair value revaluations of securities in the Corporate Banking & Lending Area.

Compared to the same period of the previous year, there are lower net value adjustments of 1,9 million Euro (-16,0%).

The increase in operating costs of 3,4 million Euro compared to 31 March 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).

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

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 31.03.2024						
Nominal amount	99.223	182.097	96.876	**378.196**	6.421.825	**6.800.021**
Losses	(81.901)	(85.993)	(4.609)	**(172.503)**	(105.472)	**(277.975)**
Carrying amount	17.322	96.104	92.267	**205.693**	6.316.353	**6.522.046**
Coverage ratio	*82,5%*	*47,2%*	*4,8%*	***45,6%***	*1,6%*	***4,1%***
Gross ratio	*1,5%*	*2,7%*	*1,4%*	***5,6%***	*94,4%*	***100,0%***
Net ratio	*0,3%*	*1,5%*	*1,4%*	***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 impaired assets in the Commercial & Corporate Banking Segment stand at 205,7 million Euro at 31 March 2024, down 7,2 million Euro on the figure at 31 December 2023 (212,9 million Euro). The trend can be attributed to a decrease in non-performing past-due exposures in the Factoring Area only partially offset by new entries to probable default in the Corporate Banking & Lending Area of individually significant, previously performing positions.

The coverage ratio of the non-performing portfolio goes from 43,3% at 31 December 2023 to 45,6% at 31 March 2024. This change is attributable to an increase in the coverage ratio of unlikely to pay and bad loans, offset partly by a reduction in the coverage ratio on past due exposures.

Finally, the Commercial & Corporate Banking Segment includes loans that are mainly impaired (classified in the accounts as "POCI"), mainly referring to assets stemming from the business combination: the net value of these assets is 10,7 million Euro at 31 March 2024, as compared with the 12,3 million Euro recorded at 31 December 2023, of which 7,1 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 PPA and the effects of expected losses over the useful life of the asset, as required by IFRS 9.

KPI	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Credit cost [(1)]	0,61%	0,95%	-	(0,34)%
Net impaired assets/ Net receivables due from customers	3,2%	3,1%	-	0,1%
Gross impaired assets/ Gross receivables due from customers	5,6%	5,3%	-	0,3%
RWA [(2)]	5.687.832	5.813.454	(125.622)	(2,2)%

(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 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**28.128**	**26.751**	**1.377**	**5,1%**
Net commission income	**16.594**	**16.813**	**(220)**	**(1,3)%**
Other components of net banking income	8	(662)	670	n.a.
Net banking income	**44.730**	**42.902**	**1.828**	**4,3%**
Net credit risk losses/reversals	(2.192)	(2.502)	310	(12,4)%
Net profit (loss) from financial activities	**42.538**	**40.400**	**2.138**	**5,3%**
Operating costs	**(24.864)**	**(23.974)**	**(890)**	**3,7%**
Net allocations to provisions for risks and charges	(780)	30	(810)	n.a.
Pre-tax profit from continuing operations	**16.894**	**16.456**	**438**	**2,7%**
Income taxes for the period relating to continuing operations	(5.769)	(5.265)	(504)	9,6%
Profit for the period	**11.125**	**11.191**	**(66)**	**(0,6)%**

During the first three months of 2024, the contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment comes to 44,7 million Euro, up 4,3% on the same period of last year. This result is due to the greater contribution of net interest income (up by 1,4 million Euro), while net commission income declines by 0,2 million Euro. Turnover for the first three months of 2024 amounts to 3,0 billion Euro, a decrease of 78 million Euro compared to the same period of the previous year, while the total amount of receivables shows an increase of 24,3 million Euro compared to the same period of the previous year (the figure as at 31 March 2024 is 3,4 billion Euro).

In the first three months of 2024, net credit risk losses amount to 2,2 million Euro, a decrease of 0,3 million Euro compared to the same period of the previous year, mainly attributable to lesser provisions made on performing exposures, deriving from the update of the rating models.

Therefore, net profit from financial activities amount to 42,5 million Euro (+5,3% on the same period of last year).

The increase in operating costs of 0,9 million Euro compared to the first three months of 2023 is mainly due to higher personnel expenses related to the renewed National Collective Bargaining Agreement (NCBA).

As regards the main equity aspects, at 31 March 2024, total net commitments for the Area amount to 2.572,2 million Euro, down 9,6% on the figure at 31 December 2023, due to the seasonal nature of the 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 31.03.2024						
Nominal amount	72.219	72.117	74.956	**219.292**	2.489.307	**2.708.599**
Losses	(63.183)	(38.304)	(955)	**(102.442)**	(33.915)	**(136.357)**
Carrying amount	9.036	33.813	74.001	**116.850**	2.455.392	**2.572.242**
Coverage ratio	*87,5%*	*53,1%*	*1,3%*	***46,7%***	*1,4%*	***5,0%***
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%***

As at 31 March 2024, there is a decrease in net non-performing loans of 12,1 million Euro, due almost entirely to the decrease in past-due exposures. In overall terms, the coverage of non-performing exposures increases by 340 bps (from 43,3% to 46,7%) as a result of provisions made on unlikely to pay and non-performing positions. In particular, individually significant positions that were performing in December 2023 were entered into probable default during the period.

KPI	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Credit cost [1]	0,32%	1,13%	-	(0,81)%
Net impaired assets/ Net receivables due from customers	4,5%	4,5%	-	0,0%
Gross impaired assets/ Gross receivables due from customers	8,1%	7,6%	-	0,5%
RWA [2]	2.539.896	2.737.066	(197.170)	(7,2)%

(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 an annualised 0,32% at 31 March 2024, as the comparative figure in 2023 includes net value adjustments for credit risk totalling 28,9 million Euro as a result mainly of specific provisions made on individually significant counterparties.

It should be noted that net impaired exposures include a total of 75,3 million Euro in respect of the NHS (72,2 million Euro as at 31 December 2023).

Leasing Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**12.764**	**12.508**	**256**	**2,0%**
Net commission income	**3.069**	**2.782**	**287**	**10,3%**
Net banking income	**15.833**	**15.290**	**543**	**3,6%**
Net credit risk losses/reversals	(1.764)	(1.016)	(748)	73,6%
Net profit (loss) from financial activities	**14.069**	**14.274**	**(205)**	**(1,4)%**
Operating costs	**(8.792)**	**(7.536)**	**(1.256)**	**16,7%**
Net allocations to provisions for risks and charges	(56)	-	(56)	n.a.
Pre-tax profit from continuing operations	**5.221**	**6.738**	**(1.517)**	**(22,5)%**
Income taxes for the period relating to continuing operations	(1.783)	(2.175)	392	(18,0)%
Profit for the period	**3.438**	**4.563**	**(1.125)**	**(24,7)%**

Net banking income from the Leasing Area amounts to 15,8 million Euro, an improvement of 0,5 million Euro compared with the figure at 31 March 2023. This increase is due to the higher contribution of net interest income of 0,3 million Euro and the higher commission margin of 0,3 million Euro.

Net credit risk losses amount to 1,8 million Euro, an increase of 0,7 million Euro compared to the same period of the previous year.

Operating costs of the Leasing Area amount to 8,8 million Euro, an increase of 1,3 million Euro compared to the figure at 31 March 2023, in this case too, mainly related to higher personnel expenses for 0,7 million Euro connected with the renewal of the National Collective Bargaining Agreement (NCBA).

At 31 March 2024, the Area's total net loans come to 1.551,2 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.

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 31.03.2024						
Nominal amount	11.176	12.948	7.603	**31.727**	1.558.745	**1.590.472**
Losses	(10.402)	(8.247)	(2.086)	**(20.735)**	(18.566)	**(39.301)**
Carrying amount	774	4.701	5.517	**10.992**	1.540.179	**1.551.171**
Coverage ratio	*93,1%*	*63,7%*	*27,4%*	***65,4%***	*1,2%*	***2,5%***
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%***

The coverage ratio of impaired assets increases by 0,3% from 65,1% to 65,4%, while the coverage ratio for performing loans increases from 1,1% to 1,2% as a result of the revision of the satellite models carried out in February 2024.

KPI	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Credit cost (1)	0,45%	0,29%	-	0,16%
Net impaired assets/ Net receivables due from customers	0,7%	0,7%	-	0,0%
Gross impaired assets/ Gross receivables due from customers	2,0%	1,9%	-	0,1%
RWA (2)	1.323.219	1.344.965	(21.746)	(1,6)%

(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.

Corporate Banking & Lending Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**19.517**	**17.695**	**1.822**	**10,3%**
Net commission income	**4.647**	**3.898**	**749**	**19,2%**
Other components of net banking income	4.542	8.060	(3.518)	(43,6)%
Net banking income	**28.706**	**29.653**	**(947)**	**(3,2)%**
Net credit risk losses/reversals	(6.210)	(8.578)	2.368	(27,6)%
Net profit (loss) from financial activities	**22.496**	**21.075**	**1.421**	**6,7%**
Operating costs	**(10.301)**	**(9.035)**	**(1.266)**	**14,0%**
Net allocations to provisions for risks and charges	54	(283)	337	n.a.
Pre-tax profit from continuing operations	**12.249**	**11.757**	**492**	**4,2%**
Income taxes for the period relating to continuing operations	(4.184)	(3.841)	(343)	8,9%
Profit for the period	**8.065**	**7.916**	**149**	**1,9%**

Net banking income of the Corporate Banking & Lending Area comes to 28,7 million Euro at 31 March 2024, down 0,9 million Euro on 31 March 2023 (-3,2%). The negative change is a result of the combined effect of the following factors:

- growth of 1,8 million Euro in net interest income (+10,3%), thanks to the positive contribution of the Corporate Banking unit (and in particular of the Structured Finance business unit) for 2,2 million Euro;
- higher net commissions of 0,7 million Euro (+19,2%), mainly from the Pharmacies unit;
- a 3,5 million Euro decrease in the contribution of other net banking income components attributable to the Corporate Banking unit due to the lower contribution generated by the items measured at fair value of the Equity Investment segment, including UCITS funds and minority interests, on which the period recorded lower valuation gains compared with the same period of the previous year.

Net credit risk losses amount to 6,2 million Euro, down 2,4 million Euro compared to the same period of the previous year.

The increase in operating costs of the Corporate Banking & Lending Area of 1,3 million Euro compared to the first three months of 2023 is also due to higher personnel expenses linked to the renewed National Collective Bargaining Agreement (NCBA).

At 31 March 2024, the Area's total net receivables due from customers amount to 2.398,6 million Euro, up 32,2 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.

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 31.03.2024						
Nominal amount	15.828	97.032	14.317	**127.177**	2.373.773	**2.500.950**
Losses	(8.316)	(39.442)	(1.568)	**(49.326)**	(52.991)	**(102.317)**
Carrying amount	7.512	57.590	12.749	**77.851**	2.320.782	**2.398.633**
Coverage ratio	*52,5%*	*40,6%*	*11,0%*	***38,8%***	*2,2%*	***4,1%***
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 31 March 2024, 77,9 million Euro, shows an increase of 4,7 million Euro on the value at year-end 2023. The increase is mainly due to past due exposures, which increased by 4,0 million Euro in terms of net carrying amount, mainly concentrated in the Lending unit (guaranteed loans).

KPI	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Credit cost (1)	1,04%	1,18%	-	(0,14)%
Net impaired assets/ Net receivables due from customers	3,2%	3,1%	-	0,1%
Gross impaired assets/ Gross receivables due from customers	5,1%	4,8%	-	0,3%
RWA (2)	1.824.717	1.731.423	93.294	5,4%

(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.

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 43,2 million Euro and other components of the net interest income from cash flow changes for 30,1 million Euro and the contribution of Revalea for 9,4 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	6.124.100	202.073	3,3%	9.426	486.109	
Cost	125.558	8.882	7,1%	-	19.737	Acquisition cost
Non-judicial	12.837.550	484.972	3,8%	21.104	800.023	
of which: Collective (curves)	*12.309.684*	*208.818*	*1,7%*	*(2.334)*	*347.742*	*Cost = NPV of flows from model*
of which: Plans	*527.866*	*276.154*	*52,3%*	*23.438*	*452.281*	*Cost = NPV of flows from model*
Judicial	6.842.242	904.976	13,2%	52.222	1.804.273	
of which: Other positions undergoing judicial processing	*1.387.935*	*156.313*	*11,3%*	-	*334.153*	*Acquisition cost*
of which: Writs, Property Attachments, Garnishment Orders	*2.068.305*	*614.935*	*29,7%*	*46.647*	*1.306.192*	*Cost = NPV of flows from model*
of which: Secured and Corporate	*3.386.002*	*133.728*	*3,9%*	*5.575*	*163.928*	*Cost = NPV of flows from model*
Total	**25.929.450**	**1.600.903**	**6,2%**	**82.752**	**3.110.142**	

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 (8,9 million Euro at 31 March 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 31 March 2024 come to 208,8 million Euro as compared with 216,7 million Euro at 31 December 2023 (down 3,6%). Practices on which a realignment plan has been agreed and formalised record an increase (1,1%), coming in at 276,2 million Euro at 31 March 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 156,3 million Euro at 31 March 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 1,6%, coming

in at 614,9 million Euro as compared with the 605,2 million Euro recorded in December 2023. The judicial management basin includes all "Secured and Corporate" positions of corporate banking origin or real estate, equal to 133,7 million Euro at 31 March 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 yet to be processed to third parties.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**73.902**	**67.945**	**5.957**	**8,8%**
Net commission income	**(334)**	**802**	**(1.136)**	**(141,6)%**
Other components of net banking income	735	725	10	1,4%
of which: Gains (Losses) on the disposal of financial assets	*116*	*546*	*(430)*	*(78,8)%*
Net banking income	**74.303**	**69.472**	**4.831**	**7,0%**
Net credit risk losses/reversals	75	-	75	n.a.
Net profit (loss) from financial activities	**74.378**	**69.472**	**4.906**	**7,1%**
Operating costs	**(50.204)**	**(41.235)**	**(8.969)**	**21,8%**
Net allocations to provisions for risks and charges	262	(44)	306	n.a.
Non-recurring expenses and income	(40)	-	(40)	n.a.
Pre-tax profit from continuing operations	**24.396**	**28.193**	**(3.797)**	**(13,5)%**
Income taxes for the period relating to continuing operations	(8.335)	(9.100)	765	(8,4)%
Profit for the period	**16.061**	**19.093**	**(3.032)**	**(15,9)%**

Net interest income, which amounts to 73,9 million Euro (+8,8%), consists of:

- interest income from amortised cost, i.e. the interest accruing at the original effective rate, which increases from 42,6 million Euro to 43,2 million Euro at 31 March 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;
- Revalea's contribution of 9,7 million Euro, of which 9,4 million Euro was for interest on the proprietary portfolio;
- interest income on notes and other minority components, which shows a balance of 1,8 million Euro at 31 March 2024, a rise on the 0,9 million Euro recorded in the first quarter of 2023;
- other components of net interest income from change in cash flow, which change from 30,4 million Euro in March 2023 to 30,1 million Euro at 31 March 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 4,8 million Euro (11,2 million Euro at 31 March 2023), to which the repayment plans contribute 14,4 million Euro (down from the figure of 19,9 million Euro in the first quarter of 2023), partially offset by the negative effect of curve models of 9,6 million Euro (8,9 million Euro in the same period of the previous year). On the other hand, are legal expenses of 25,3 million Euro (19,2 million Euro at 31 March 2023), following the contribution of actions for injunction, attachment and garnishment orders. In particular, out-of-court collections show lower results than in the same period last year, mainly due to lower plan activations. However, this result was offset by the performance of legal collections, which shows an increase in its contribution to the margin compared to the same period of the previous

year, mainly due to the improved amortised cost valuations of foreclosures and garnishments and the lower negative write-downs attributable to job losses. The dynamics of legal and amicable collection and the inclusion of the portfolio of the subsidiary Revalea led to an increase in the stock of so-called "paying" receivables, bringing collections to 112,4 million Euro, up from the 97,5 million Euro realised in the first quarter of 2023;

- interest expense of 10,9 million Euro, up 4,9 million Euro on the balance recorded for the same period of the previous year.

Net commissions represent a cost of 0,3 million Euro at 31 March 2024, compared to revenues of 0,8 million Euro in the same period of the previous year. This change is entirely attributable to commissions paid by the newly acquired company Revalea to third-party servicers.

During the first three months of 2024, disposals of Npl portfolios were realised, in line with the Group's policy, from which net gains on disposal amount to 0,1 million Euro, down on the 0,5 million Euro recorded during the first three months of 2023.

In view of the above, the Npl Segment's net banking income comes to a total of 74,3 million Euro, up 4,8 million Euro on the same period of the previous year.

The Npl Segment's credit cost did not change significantly between the first quarter 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 50,2 million Euro at 31 March 2024 are up 9,0 million Euro on the first three months of 2023. This increase is again partially ascribable to higher personnel expenses of 1,9 million Euro, due to both the increase in the workforce and higher costs related to the renewed (NCBA), 3,5 million Euro due to the entry of Revalea (acquired in October 2023) into the consolidation scope as well as approximately 3 million Euro in higher amicable collection costs.

"Non-recurring expenses and income" include the cost and revenue items deemed as "non-recurring". The net balance as at 31 March 2024 is negative for 40 thousand Euro and refers to non-recurring operating costs accrued in the first quarter of 2024 directly or indirectly 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 16,1 million Euro, a reduction on the figure of 19,1 million Euro of 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	
	31.03.2024	31.12.2023	ABSOLUTE	%
Net bad loans	1.263.660	1.276.812	(13.152)	(1,0)%
Net unlikely to pay	322.125	335.773	(13.648)	(4,1)%
Net non-performing past due exposures	3.813	4.029	(216)	(5,4)%
Total net non-performing exposures to customers (stage 3)	**1.589.598**	**1.616.614**	**(27.016)**	**(1,7)%**
Total net performing exposures (stages 1 and 2)	28.560	29.544	(984)	(3,3)%
- of which: proprietary loans acquired	*11.309*	*12.601*	*(1.292)*	*(10,3)%*
- of which: loans disbursed	*14.248*	*13.929*	*319*	*2,3%*
- of which: debt securities	*1.250*	*1.848*	*(598)*	*(32,4)%*
- of which: receivables related to servicer activities	*1.753*	*1.166*	*587*	*50,3%*
Total on-balance-sheet receivables due from customers	**1.618.158**	**1.646.158**	**(28.000)**	**(1,7)%**
- of which: owned receivables acquired measured at amortised cost	***1.600.903***	***1.629.215***	***(28.312)***	***(1,7)%***

As regards the Npl Segment loans, 1.600,9 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. Receivables related to servicer activities on behalf of third parties and debt securities measured at amortised cost are excluded from this classification.

KPI	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Nominal amount of receivables managed	25.929.450	26.147.455	(218.005)	(0,83)%
RWA (1)	1.875.093	1.898.366	(23.273)	(1,2)%

(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 3,1 billion Euro.

NPL SEGMENT NON-PERFORMING LOAN PORTFOLIO PERFORMANCE	31.03.2024	31.12.2023
Opening loan portfolio	**1.629.215**	**1.505.026**
Purchases (+)	1.284	230.589
- of which from business combination	-	*210.762*
Sales (-)	(360)	(21.244)
Gains (losses) on disposals (+/-)	116	10.377
Interest income from amortised cost (+)	46.589	170.423
Other components of interest from change in cash flow (+)	36.162	131.081
Collections (-)	(112.103)	(397.038)
Closing loan portfolio	**1.600.903**	**1.629.215**

Total purchases in the first three months of 2024 come to 1,3 million Euro, down on the 2,5 million Euro of the first three months of 2023. In the first quarter of 2024, sales of Npls were completed for a total price of 0,4 million Euro, which generated net profits of 0,1 million Euro.

The item “Collections”, equal to 112,1 million Euro at 31 March 2024, includes the instalments collected during the period from re-entry plans, from garnishment orders and transactions carried out, and rises by 15,0% on the collections of 97,5 million Euro made in the first three months of 2023.

At 31 March 2024, the portfolio managed by the Npl Segment includes 2.472.721 positions, for a nominal amount of 25,9 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.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**6.447**	**14.540**	**(8.093)**	**(55,7)%**
Net commission income	**(902)**	**(968)**	**66**	**(6,8)%**
Other components of net banking income	16.121	4.936	11.185	226,6%
Net banking income	**21.666**	**18.508**	**3.158**	**17,1%**
Net credit risk losses/reversals	1.502	2.125	(623)	(29,3)%
Net profit (loss) from financial activities	**23.168**	**20.633**	**2.535**	**12,3%**
Operating costs	**(7.959)**	**(9.297)**	**1.338**	**(14,4)%**
Charges related to the banking system	(9)	(5.863)	5.854	(99,8)%
Net allocations to provisions for risks and charges	(1.629)	(221)	(1.408)	n.s.
Pre-tax profit from continuing operations	**13.571**	**5.252**	**8.319**	**158,4%**
Income taxes for the period relating to continuing operations	(4.630)	(1.697)	(2.933)	172,8%
Profit (Loss) for the period	**8.941**	**3.555**	**5.386**	**151,5%**
Profit (Loss) for the period attributable to non-controlling interests	(454)	(404)	(50)	12,4%
Profit for the period attributable to the Parent Company	**8.487**	**3.151**	**5.336**	**163,3%**

The Segment’s net banking income amounts to 21,7 million Euro, up 3,2 million Euro compared to the first three months of 2023 and is determined in particular by the following factors:

- net interest income has decreased by 8,1 million Euro on the first three months of 2023. The negative change is due for 2,5 million Euro to the run-off portfolio of the Non-Core unit, for 1,0 million Euro to the

Capital Markets segment and for 4,6 million Euro to the Governance segment, mainly due to the increase in the cost of funding;

- other components of net banking income have increased by 11,2 million Euro. This increase is due for 5,5 million Euro mainly to the sale of a participating financial instrument (PFI) of the Non-Core division and for 7 million Euro to the Capital Markets unit mainly due 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 30,9 million Euro, higher than the same period of last year (15,9 million Euro) due to the increase in average rates despite the reduction in average assets under management (4.502 million Euro at 31 March 2024 as compared with 3.932 million Euro at 31 March 2023). The average annual rate stands at 2,8%, having increased from the figure of 1,5% at 31 March 2023 as a result of the successful retail collection campaigns carried out during 2023.

As at 31 March 2024, the carrying amount of bonds issued by Banca Ifis comes to 1.810,2 million Euro, up by 374,4 million Euro mainly as a result of the issue in February 2024, as part of the Group's EMTN issue programme, of a Senior Preferred Unsecured bond in the amount of 400 million Euro (for more details see the section "Significant events occurred in the period"). In economic terms, interest expense accrued on all issues rose by 6,6 million Euro compared with the first three months of 2023, coming in at a total of 21,7 million Euro at 31 March 2024.

Funding through securitisation, amounting to 1.705,7 million Euro at 31 March 2024, is up by 228,9 million Euro compared with the figure at 31 March 2023 and consists of:

- securities issued by the SPV ABCP Programme for 945,2 million Euro relating to the senior tranche;
- securities issued by the SPV Indigo Lease for 360,2 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 400,3 million Euro relating to the senior tranche.

Accrued interest expense increased from 12,3 million Euro as at 31 March 2023 to 22,4 million Euro as at 31 March 2024 as a result of the placement following the restructuring of the Indigo Lease securitisation transaction carried out in July 2023 (at 31 March 2023, it was still a self-securitisation fully subscribed by Banca Ifis Group companies) and the change in the market curves to which they are indexed.

It should also be noted that access to funding through TLTRO operations, with a nominal amount of 786,5 million Euro, decreased compared to 31 March 2023 due to the repayment of a nominal 500 million Euro at the end of 2023 and a further nominal 750 million Euro in March 2024.

The credit cost deteriorated by 0,6 million Euro, mainly due to lower write-backs compared to the 31 March 2023 figure of 2,1 million Euro.

Operating costs come to 7,9 million Euro, down 1,4 million Euro on 31 March 2023. This difference is mainly due to the fact that one-off costs were incurred in 2023 in specific Marketing & Communication activities for the Bank's 40th anniversary. As these costs are not related to specific business issues, they were allocated to Governance & Services and Non-Core Segment.

The item "Charges related to the banking system" includes the costs incurred to date for the operation of the banking system's guarantee funds. The balance as at 31 March 2023 included the estimated last contribution under the Single Resolution Fund's accumulation plan.

Net allocations to provisions for risks and charges come to 1,6 million Euro, an increase of 1,4 million Euro compared to the figure as at 31 March 2023, mainly due to new provisions recorded in the first quarter of 2024 to guarantee transferred positions.

As a result of the dynamics represented above, the profit for the period of the Governance & Services and Non-Core Segment amounts to 8,9 million Euro, an increase compared to the data as at 31 March 2023 which amounted to 3,6 million Euro (+5,4 million Euro). Excluding the profit for the period attributable to non-controlling interests

(NCI), the contribution of the Segment to the profit for the period attributable to the Parent Company is equal to 8,5 million Euro.

As regards equity figures, at 31 March 2024, total net receivables for the Segment amount to 1.948,5 million Euro, down 11,9% on the figure at 31 December 2023 (2.212,5 million Euro). The decrease of 264,0 million Euro is mainly due to the bond divestments previously commented on and to the physiological decrease of the run-off portfolio.

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: 8,2 million Euro at 31 March 2024, up 0,3 million Euro on the figure recorded at 31 December 2023;
- net performing exposures: 12,4 million Euro at 31 March 2024, down 4,5 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 31.03.2024						
Nominal amount	12.784	22.793	8.802	**44.379**	1.925.786	**1.970.165**
Losses	(7.005)	(8.294)	(3.131)	**(18.430)**	(3.240)	**(21.670)**
Carrying amount	5.779	14.499	5.671	**25.949**	1.922.546	**1.948.495**
Coverage ratio	*54,8%*	*36,4%*	*35,6%*	***41,5%***	*0,2%*	***1,1%***
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 31 March 2024, there were government securities amounting to 1.388,0 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 31 March 2024 is essentially in line with the figure at 31 December 2023 and is mainly related to the Non-Core Area 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 essentially stable compared to the figure of December 2023, while performing loans record a decrease of 12,1% 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 1.388,0 million Euro at the end of March 2024).

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.

At the level of the Banca Ifis Group, a series of in-depth studies have been conducted in order to assess the exposures (direct and indirect) to counterparties resident in the areas involved by such international tensions and to estimate the related impacts and risk containment measures.

Furthermore, the Risk Management function, in addition to the risk factors usually considered, deemed 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.

More specifically, from the point of view of the assumptions directly considered in the stress tests, the following were considered:

- an increase in the conversion to impaired of Factoring Area customers operating in segments with negative outlooks;
- the use of further worsened transition matrices for Factoring Area customers in the stress test pro Recovery Plan.

On the assumptions that have an impact on the levels of internal capital allocated to individual risks, it should be noted that:

- a further worsened interest rate scenario was used as a consequence of a hypothetical continuation of the high inflation context (resulting from the commodity shortage caused by the conflict), which led to a higher estimate of internal capital for sovereign risk;
- additional internal capital was allocated to cover strategic risk, assuming an uncertain economic environment resulting from the current geopolitical situation.

The analyses conducted have 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.

Other information

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's 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 ("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 as at 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 "2023 Report on Remuneration Policy and Remuneration Paid", drafted pursuant to Article 123-*ter* of the Consolidated Law on Finance, 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.

Parent company management and coordination

Pursuant to Articles 2497 to 2497-*sexies* of the Italian Civil Code, it should be noted that the Ultimate 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, the consolidating company.

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

The receivable from the tax consolidating company La Scogliera, recorded under “Other assets”, amounts to 32,5 million Euro, while the related payable, recorded under “Other liabilities” in the Consolidated Interim Report, amounts to 37,9 million Euro at 31 March 2024, of which 29,2 million Euro accrued to the subsidiary Ifis Npl Investing. The net debt to the tax consolidating company La Scogliera amounts therefore to 5,4 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 period, Banca Ifis did not carry out any transactions on treasury shares, hence the stock at the end of the period was 1.343.018 treasury shares, with an equivalent value of 21,8 million Euro and a nominal amount of 1.343.018 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 and 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.

During the first quarter of 2024, no significant transactions with related parties were undertaken outside the scope of the Consolidated Interim Report.

Atypical or unusual transactions

During the first three 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 Company has its registered office in Venice-Mestre, as well as offices of the Presidency in Rome and operational offices in Milan. There are no branch offices.

Human resources

As at 31 March 2024, the Banca Ifis Group had 1.968 employees (1.940 at 31 December 2023). Below is a breakdown of the workforce by classification level.

GROUP EMPLOYEES BY CLASSIFICATION LEVEL	31.03.2024		31.12.2023		CHANGES	
	Number	%	Number	%	Number	%
Senior managers	100	5,1%	100	5,2%	-	0,0%
Middle managers	610	31,0%	608	31,3%	2	0,3%
Clerical staff	1.258	63,9%	1.232	63,5%	26	2,1%
Total Group employees	**1.968**	**100,0%**	**1.940**	**100,0%**	**28**	**1,4%**

Research and development activities

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

Reclassified Consolidated Financial Statements

Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	31.03.2024	31.12.2023
Cash and cash equivalents	1.184.454	857.533
Financial assets held for trading	13.194	12.896
Financial assets mandatorily measured at fair value through profit or loss	238.907	221.982
Financial assets measured at fair value through other comprehensive income	522.504	749.176
Receivables due from banks measured at amortised cost	661.464	637.567
Receivables due from customers measured at amortised cost	10.088.699	10.622.134
Hedging derivatives	42	-
Equity investments	24	24
Property, plant and equipment	149.828	143.255
Intangible assets	78.506	76.667
of which:		
- goodwill	*38.020*	*38.020*
Tax assets:	273.148	285.435
a) current	*46.787*	*46.601*
b) prepaid	*226.361*	*238.834*
Other assets	443.325	444.692
Total assets	**13.654.095**	**14.051.361**

LIABILITIES AND EQUITY (in thousands of Euro)	31.03.2024	31.12.2023
Payables due to banks	1.666.614	2.717.139
Payables due to customers	6.156.392	5.814.624
Debt securities issued	3.515.924	3.288.895
Financial liabilities held for trading	13.773	14.005
Hedging derivatives	7.707	11.644
Tax liabilities:	63.046	57.717
a) current	*31.363*	*26.025*
b) deferred	*31.683*	*31.692*
Other liabilities	422.036	387.554
Post-employment benefits	7.845	7.906
Provisions for risks and charges:	59.100	58.178
Valuation reserves	(32.028)	(39.215)
Reserves	1.658.676	1.505.424
Interim dividends (-)	(62.962)	(62.962)
Share premiums	84.108	84.108
Share capital	53.811	53.811
Treasury shares (-)	(21.817)	(21.817)
Equity attributable to non-controlling interests (+/-)	14.694	14.240
Profit (Loss) for the period (+/-)	47.176	160.110
Total liabilities and equity	**13.654.095**	**14.051.361**

Consolidated Income Statement

ITEMS (in thousands of Euro)	31.03.2024	31.03.2023
Net interest income	**140.758**	**139.439**
Net commission income	**23.074**	**23.327**
Other components of net banking income	21.406	13.059
Net banking income	**185.238**	**175.825**
Net credit risk losses/reversals on:	(8.589)	(9.971)
Net profit (loss) from financial activities	**176.649**	**165.854**
Administrative expenses:	(105.337)	(93.517)
a) personnel expenses	*(43.396)*	*(39.708)*
b) other administrative expenses	*(61.941)*	*(53.809)*
Net impairment losses/reversals on property, plant and equipment and intangible assets	(5.174)	(4.202)
Other operating income/expenses	8.391	6.642
Operating costs	**(102.120)**	**(91.077)**
Charges related to the banking system	(9)	(5.863)
Net allocations to provisions for risks and charges	(2.149)	(518)
Non-recurring expenses and income	(40)	-
Pre-tax profit (Loss) for the period from continuing operations	**72.331**	**68.396**
Income taxes for the period relating to continuing operations	(24.701)	(22.078)
Profit (Loss) for the period	**47.630**	**46.318**
Profit (Loss) for the period attributable to non-controlling interests	(454)	(404)
Profit (Loss) for the period attributable to the Parent Company	**47.176**	**45.914**

Consolidated Statement of Comprehensive Income

ITEMS (in thousands of Euro)	31.03.2024	31.03.2023
Profit (Loss) for the period	**47.630**	**46.318**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**(478)**	**(376)**
Equity securities measured at fair value through other comprehensive income	(706)	(270)
Hedging of equity securities measured at fair value through other comprehensive income	72	-
Defined benefit plans	156	(106)
Other comprehensive income, net of taxes, to be reclassified to profit or loss	**(314)**	**5.999**
Exchange differences	297	93
Financial assets (other than equity securities) measured at fair value through other comprehensive income	(611)	5.906
Total other comprehensive income, net of taxes	**(792)**	**5.623**
Comprehensive Income	**46.838**	**51.941**
Consolidated comprehensive income attributable to non-controlling interests	(456)	(403)
Consolidated comprehensive income attributable to the Parent Company	**46.382**	**51.538**

Notes

Accounting policies

Statement of compliance with IFRS

This Consolidated Interim Report at 31 March 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 31 March 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 recognition, measurement and derecognition criteria for assets and liabilities, and the procedures for recognising revenues and costs, adopted in the Consolidated Interim Report at 31 March 2024 have remained substantively unchanged from those adopted for the preparation of the 2023 financial statements of the Banca Ifis Group, with the exception of a supplement relating to the criteria applied for the classification, posting, valuation and cancellation of hedges (hedge accounting), following the new strategies adopted by the Group during the first quarter of 2024 compared with those already in place at 31 December 2023, presented in the following paragraph "Hedging transactions";

Hedge accounting

Classification criteria

With reference to hedging, the Banca Ifis Group has chosen to adopt the provisions of IFRS 9 for first-time application and not to avail itself of the option, provided by the same standard, to apply the hedge accounting rules dictated by IAS 39, in the version endorsed by the European Commission (the "carved out" version), with the exception of the specific cases provided for in IFRS 9 (par. 6.1.3) and not governed by the same standard.

Risk hedging transactions are intended to neutralise, from an accounting point of view, potential recognisable losses on a particular financial instrument or group of financial instruments, attributable to a particular risk, by means of recognisable gains on a different financial instrument or group of financial instruments should that particular risk actually arise.

Only instruments involving a counterparty outside the Group can be designated as hedging instruments.

Compared to 31 December 2023, where the only type of hedge used by the Group was a specific fair value hedge ("micro" fair value hedge) with the aim of hedging the exposure to changes in the fair value of a balance sheet asset or liability attributable to a particular risk and in particular from changes in interest rates, during the first quarter of 2024, a new hedging strategy was implemented, again of the micro fair value hedge type but relating to hedging the exposure to changes in the fair value of equity securities measured at fair value through other comprehensive income (termed "FVOCI") attributable to changes in market prices.

A derivative instrument may be considered to be a hedging instrument if there is formalised documentation of the unique relationship to the hedged item and if it is effective at the time the hedge commences and, prospectively, over the life of the hedge.

At the start of the hedging relationship there must be a formal designation and documentation of the hedging relationship, the company's risk management objectives, and the hedging strategy. This documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how to assess the effectiveness of the hedging instrument in offsetting the exposure to changes in the fair value of the hedged item.

Recognition criteria

Derivative hedging instruments are recognised at fair value, on the date the relevant contracts are entered into, and are classified as assets under item "50. Hedging derivatives" or on the liabilities side of the balance sheet under item "40. Hedging derivatives" depending on whether the value is positive or negative.

Measurement criteria

After initial recognition, hedging derivatives continue to be measured at fair value. Specifically, in the case of fair value hedges, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offsetting is recognised through the recognition in the income statement (or in the equity valuation reserve in the case of fair value hedges on securities measured at fair value through other comprehensive income) of changes in value, referring both to the hedged item (as regards changes produced by the underlying risk factor) and to the hedging instrument. Any difference, representing the partial ineffectiveness of the hedge, consequently constitutes the net economic effect.

The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged instrument are offset by those of the hedging instrument. Therefore, effectiveness is appreciated by comparing the above-mentioned variations, taking into account the intent pursued at the time the hedge was implemented. Effectiveness occurs when changes in the fair value of the hedging financial instrument almost entirely neutralise changes in the hedged instrument for the hedged risk element.

Effectiveness is assessed at each balance sheet or interim reporting date using prospective tests, which justify the application of hedge accounting by demonstrating the expected effectiveness based on limits defined internally by the Group.

If the tests do not confirm the effectiveness of the hedge, hedge accounting is discontinued, the hedging derivative contract is reclassified as a trading instrument and the hedged financial instrument regains the valuation criterion corresponding to its balance sheet classification. If the hedged asset or liability is measured at amortised cost, the higher or lower value resulting from the measurement of the hedged asset or liability at fair value due to the hedge becoming ineffective is recognised in the income statement using the effective interest rate method.

In addition, the accounting for outstanding fair value hedges ceases prospectively in the following cases:

- the hedging instrument matures, is terminated or exercised;
- the hedged item is sold, expires or is refunded;
- the decision is made to revoke the designation.

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 do not believe that any risks or uncertainties have arisen that would cast doubt on the company's ability to continue as a going concern, and therefore the Consolidated Interim Report as at 31 March 2024 has been prepared on a going concern basis.

Extraordinary tax on the "extra-profits" of banks under Italian Law No. 136/2023

Law No. 136 of 9 October 2023 converted Decree-Law No. 104 of 10 August 2023 (the "Omnibus bis Decree" or "Asset Decree"), introducing new measures aimed at economic operators and private individuals as well as confirming or modifying some already existing measures. The new measures adopted include the introduction, for 2023, of an extraordinary tax on net interest income (the "extra-profits") of Italian banks, even if they operate in the territory of the Italian State through a permanent establishment. In particular, it establishes the application of a 40% tax rate on a taxable base configured by comparing the "Net interest income" under item 30 of the Income Statement of banking institutions (on the basis of the financial statement formats governed by Circular No. 262/2005 and subsequent updates of the Bank of Italy) of the tax year prior to the one in progress on 1 January 2022 and that of the tax year prior to the one in progress on 1 January 2024 only. In any event, the tax thus calculated may not exceed 0,26% of the Risk Weighted Assets (or "RWAs") on an individual basis for each Bank. In lieu of making the payment, each bank on an individual basis may elect to allocate a certain amount, not less than 2,5 times the tax calculated as above, to a non-distributable profit reserve in equity. In such a case, if you subsequently choose to use this specific reserve for the distribution of profits (and thus make it from "non-distributable" to "distributable"), within 30 days of the approval of the relevant resolution, the tax originally calculated must be paid with a surcharge in proportion to the interest accrued in the meantime.

From an accounting point of view, in light of the specific characteristics of the tax in question and in particular the way in which it is determined, the provisions of IFRIC Interpretation 21 "Taxes" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" were deemed applicable. In particular, according to IFRIC 21, a liability relating to the payment of a tax arises at the moment when the binding event occurs, i.e. when the obligation to pay the tax arises. The definition of a liability provided by IAS 37 also requires that an outflow of resources embodying economic benefits is deemed probable for the fulfilment of the obligation.

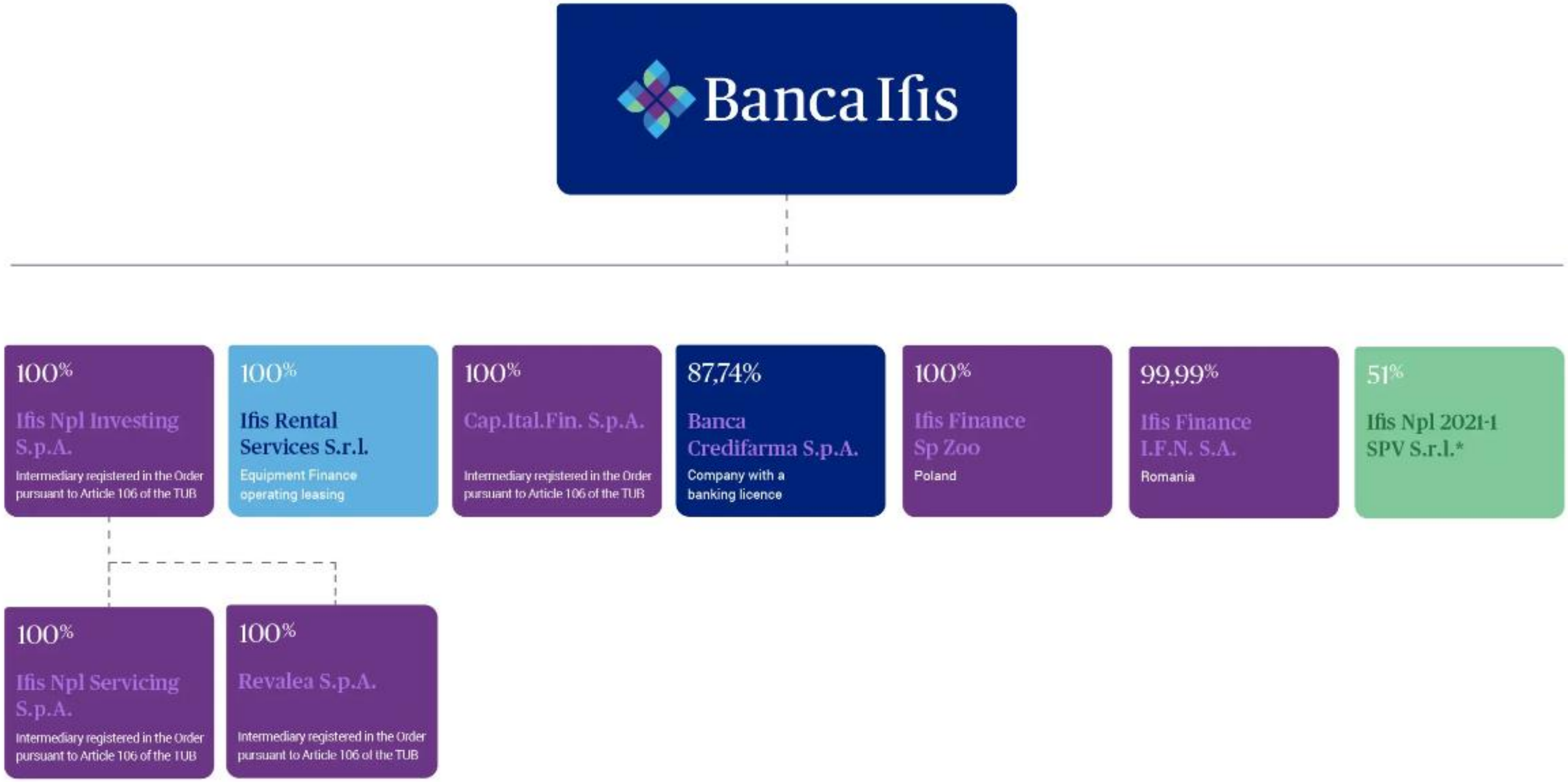
In this regard, it should be noted that, in relation to the provisions of the rule, the banks of the Banca Ifis Group (Banca Ifis and Banca Credifarma) have the realistic alternative of not paying the tax, by setting aside, when approving their separate 2023 financial statements, a non-distributable profit reserve equal to 2,5 times the extraordinary tax. This makes the described requirement of the accounting standard not in fact fulfilled. Consequently, since the Directors of each of the Group's banks had positively concluded on the possibility of availing themselves of this option, and having verified the reasonableness of this alternative in the case at hand, as at 31 December 2023, it was deemed that there was no binding event against which to recognise a liability and related charge for either of the two banks on an individual basis and, consequently, at the level of the Group's consolidated balances.

The tax in question is quantified at 9.562.045 Euro for Banca Ifis and 1.300.962 Euro for Banca Credifarma. Accordingly, the corresponding allocations to reserves that the directors proposed to the relevant Shareholders' Meetings and that were then approved by them amounted to 23.905.112 Euro for Banca Ifis (resolution dated 18 April 2024; for more details see the section "Significant subsequent events") and 3.252.404 Euro for Banca Credifarma (resolution dated 10 April 2024).

It should also 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 2023 financial statements. In this regard, the Directors of each bank will assess over time the substantive reasonableness of the option not to distribute based on the specific facts and circumstances.

Consolidation scope and methods

The Consolidated Interim Report of the Banca Ifis Group has been drawn up on the basis of the accounts at 31 March 2024 prepared by the directors of the companies included in the consolidation scope on the basis of homogeneous accounting standards.



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

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 subsidiary companies, classed as such on the basis of that explained below and included in the scope of consolidation as at 31 March 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.

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.

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 Financial Statements as at 31 March 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.

Profit or loss for the year and each component of other comprehensive income are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the minority interests having a deficit balance. When necessary, appropriate adjustments are made to the financial statements of the subsidiaries, in order to ensure compliance with the Group's accounting standards. All assets and liabilities, equity, revenues, costs and inter-group financial flows relating to transactions between Group entities are derecognised completely during the consolidation phase.

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 equity, net income and comprehensive income are reported separately in the respective Consolidated Financial Statements, 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 financial statements 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.

At 31 December 2023, the companies subject to significant influence are Justlex Italia S.T.A.P.A. and Redacta S.T.A.a.r.l. with a shareholding of 20% and 33% respectively.

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 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 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 Group'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, with reference to the specific sections of the Notes to the financial statements for detailed information on the valuation processes conducted at 31 March 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;
- estimated impairment of goodwill posted;
- 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 - Main items of the financial statements" of the Consolidated financial statements at 31 December 2023.

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 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:

- defining the parameters for a significant increase in credit risk, which are essentially based on models that consider qualitative and quantitative information for measuring the Probabilities of Default (PD) at the origination of financial assets and at the reporting date, as well as forward looking 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. In order to cope with the uncertainty characterising the macroeconomic context and to take due account of risks that are not adequately captured by the valuation models in use, the Group resorts to prudential adjustments in determining the expected loss (referred to as "overlays"). The assessments performed with regard to the quantification of management overlays support the appropriateness of the measures put in place; the amount of ECL introduced through post-model adjustment was conservative compared to the sensitivity and stress analyses performed on the portfolio.

For more information on the methods and models used to determine the ECL, refer to the explanations given in paragraph "2.3 Measurement of expected credit losses" contained in the "Credit risk" section of "Part E - Information on risks and related hedging policies" of the Consolidated financial statements at 31 December 2023.

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 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.

Estimated impairment 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. As at 31 March 2024, goodwill 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 as at 31 March 2024 concerning the presence of any trigger events, which would call for impairment testing, the analysis did not reveal any such trigger events.

With regard to the annual impairment test, the results of the test conducted on 31 December 2023 led to the confirmation of the recoverability of the value 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”) characterised by significant elements of complexity or subjectivity. 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 31 March 2024 other than those transformable pursuant to Law 2014/2011, based on the Group’s estimated future taxable income, to be deemed confirmed in light of the results at 31 March 2024, no elements have emerged that could lead to deeming the DTAs in question, amounting to a total of 226,4 million Euro, to be unlikely for recovery. The aforementioned DTAs have therefore been deemed recoverable, albeit over a medium-term time horizon. 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 226,4 million Euro, the 139,3 million Euro portion attributable to Law 214/2011 (equal to 61,5% of the total DTA) will be reversed by 2028 due to express regulatory provision. The portion referring to prior tax losses and the aid for economic growth (“ACE”) surpluses, totalling 40,9 million Euro (or 18,1% of the total DTA) should be fully recovered from 2026 to 2032 (of which approximately 30 million Euro by 2028). The remaining 46,2 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. The uncertainty is also confirmed regarding the recoverability of the DTAs relating to the subsidiary Cap.Ital.Fin. realised mainly before the entry into the tax consolidation, which therefore, out of prudence, have not been recorded for a total of 2,6 million Euro.

Group financials and income results

Reclassified Statement of financial positions items

RECLASSIFIED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	1.184.454	857.533	326.921	38,1%
Financial assets mandatorily measured at fair value through profit or loss	238.907	221.982	16.925	7,6%
Financial assets measured at fair value through other comprehensive income	522.504	749.176	(226.672)	(30,3)%
Receivables due from banks measured at amortised cost	661.464	637.567	23.897	3,7%
Receivables due from customers measured at amortised cost	10.088.699	10.622.134	(533.435)	(5,0)%
Property, plant and equipment and intangible assets	228.334	219.922	8.412	3,8%
Tax assets	273.148	285.435	(12.287)	(4,3)%
Other assets	456.585	457.612	(1.027)	(0,2)%
Total assets	**13.654.095**	**14.051.361**	**(397.266)**	**(2,8)%**
Payables due to banks measured at amortised cost	1.666.614	2.717.139	(1.050.525)	(38,7)%
Payables due to customers measured at amortised cost	6.156.392	5.814.624	341.768	5,9%
Debt securities issued	3.515.924	3.288.895	227.029	6,9%
Tax liabilities	63.046	57.717	5.329	9,2%
Provisions for risks and charges	59.100	58.178	922	1,6%
Other liabilities	451.361	421.109	30.252	7,2%
Consolidated equity	1.741.658	1.693.699	47.959	2,8%
Total liabilities and equity	**13.654.095**	**14.051.361**	**(397.266)**	**(2,8)%**

Cash and cash equivalents

Cash and cash equivalents include bank current accounts on demand and at 31 March 2024 amount to 1.184,5 million Euro, compared with the 857,5 million Euro recorded at the end of 2023 mainly due to the growth in overnight deposits held by the Parent Company Banca Ifis at the Bank of Italy (+365,0 million Euro), also following the February 2024 issue of a senior bond for nominal amount of 400 million Euro (for more details in this respect, see the section "Significant events occurred in the period").

Financial assets mandatorily measured at fair value through profit or loss

Financial assets mandatorily measured at fair value through profit or loss total 238,9 million Euro at 31 March 2024. This item consists of loans and debt securities that did not pass the SPPI test, equity securities from minority shares and UCITS units.

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	
	31.03.2024	31.12.2023	ABSOLUTE	%
Debt securities	97.186	86.919	10.267	11,8%
Equity securities	53.674	51.051	2.623	5,1%
UCITS units	81.740	76.910	4.830	6,3%
Loans	6.307	7.102	(795)	(11,2)%
Total	**238.907**	**221.982**	**16.925**	**7,6%**

In detail, the increase of 7,6% compared to 31 December 2023 can be broken down as follows:

- the 10,3 million Euro (+11,8%) increase in debt securities was the result of the 9,3 million Euro net effect of subscriptions and redemptions for the period and 1,0 million Euro net positive fair value changes;
- the 2,6 million Euro increase (+5,1%) in equity securities is mainly due to the fair value changes during the period (2,0 million Euro) and the subscription of new securities (0,6 million Euro);
- period increase in the balance of UCITS units (+4,8 million Euro, +6,3%), following the growth recorded in fair value measurements (3,5 million Euro) and the positive contribution of net new subscriptions of 1,7 million Euro;
- decrease in the carrying amount of loans with respect to 31 December 2023 (-11,2%), mainly as a result of collections related to normal plan amortisation.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income come to 522,5 million Euro at 31 March 2024, down 30,3% 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	
	31.03.2024	31.12.2023	ABSOLUTE	%
Debt securities	399.163	634.306	(235.143)	(37,1)%
of which: government securities	*269.545*	*460.187*	*(190.642)*	*(41,4)%*
Equity securities	123.341	114.870	8.471	7,4%
Total	**522.504**	**749.176**	**(226.672)**	**(30,3)%**

Debt securities owned measured at fair value through other comprehensive income decreased by 235,1 million Euro (-37,1%) compared to the balance at 31 December 2023, mainly due to the effect of natural maturities and disposals during the period (288,5 million Euro, of which 220,3 million Euro related to government bonds), only partially replaced by new subscriptions for the period (+54,2 million Euro, of which 29,1 million Euro related to government bonds) and against a substantially unchanged fair value measurement for the period. The related associated net negative fair value reserve amounts to 19,6 million Euro at 31 March 2024, of which 18,3 million Euro associated with Government securities.

This item also includes equity securities attributable to non-controlling interests, which amount to 123,3 million Euro at the end of March 2024, up 7,4% compared to 31 December 2023, mainly due to investments made in the first three months of 2024 (+23,8 million Euro, of which 16,3 million Euro on foreign equity investments), the impact of which more than offset that of the disposals realised in the period (-15,8 million Euro) and that of the essential stability in period fair value amounts. The net fair value reserve associated with this portfolio at 31 March 2024 shows a negative value of 6,9 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 come to 661,5 million Euro at 31 March 2024, up on the figure booked at 31 December 2023 (637,6 million Euro).

In addition to loans to central banks for mandatory reserve, 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 31 March 2024 have a carrying amount of 572,5 million Euro, slightly down from the value of 576,8 million Euro at the end of 2023 mainly as a result of the divestments of bonds made during the period (-106,8 million Euro, of which 76,7 million Euro on Italian bonds), the effect of which more than offset the upward change due to new subscriptions during the quarter on Italian (+95,5 million Euro) and foreign (+8,1 million Euro) bank bonds.

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost come to 10.088,7 million Euro, a reduction on 31 December 2023 (10.622,1 million Euro). The item includes debt securities for 1,8 billion Euro (2,0 billion Euro at 31 December 2023), of which government securities for 1,4 billion Euro (1,6 billion Euro at 31 December 2023). In the absence of the debt securities component, the item decreases by 3,5% (-300,8 million Euro).

The Commercial & Corporate Banking Segment amounts to 6.522,0 million Euro, a decrease of 3,6% compared to December 2023 (6.763,5 million Euro). The trend saw consolidated growth in both the Corporate Banking & Lending Area (+1,4%), with the Leasing Area stable (-0,1%) offset by a slowdown in the Factoring Area (-9,6%) in line with the seasonality of the business. Receivables due from customers in the Npl Segment are essentially in line with 31 December 2023 (-1,7%), while the contribution of the Governance & Services and Non-Core Segment decreases by 264,0 million Euro (-11,9%) compared to the end-of-2023 figure of 2.212,5 million Euro, mainly as a result of the normal amortisation and the divestment during the period of debt securities to customers in the amount of total 302,6 million Euro (of which 288,9 million Euro in government bonds) and the physiological decrease in run-off portfolios.

RECEIVABLES DUE FROM CUSTOMERS BREAKDOWN BY SEGMENT (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Commercial & Corporate Banking Segment	6.522.046	6.763.468	(241.422)	(3,6)%
- of which non-performing	*205.693*	*212.870*	*(7.177)*	*(3,4)%*
Factoring Area	2.572.242	2.844.805	(272.563)	(9,6)%
- of which non-performing	*116.850*	*128.985*	*(12.135)*	*(9,4)%*
Leasing Area	1.551.171	1.552.204	(1.033)	(0,1)%
- of which non-performing	*10.992*	*10.729*	*263*	*2,5%*
Corporate Banking & Lending Area	2.398.633	2.366.459	32.174	1,4%
- of which non-performing	*77.851*	*73.155*	*4.696*	*6,4%*
Npl Segment	1.618.158	1.646.158	(28.000)	(1,7)%
- of which non-performing	*1.589.598*	*1.616.614*	*(27.016)*	*(1,7)%*
Governance & Services and Non-Core Segment(1)	1.948.495	2.212.509	(264.014)	(11,9)%
- of which non-performing	*25.949*	*25.598*	*351*	*1,4%*
Total receivables due from customers	**10.088.699**	**10.622.134**	**(533.435)**	**(5,0)%**
- of which non-performing	***1.821.240***	***1.855.082***	***(33.842)***	***(1,8)%***

(1) In the Governance & Services and Non-Core Segment, at 31 March 2024, there were government securities amounting to 1.388,0 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 1.821,2 million Euro at 31 March 2024, compared to 1.885,1 million Euro at 31 December 2023 (-1,8%).

Net of this item relative to the Npl Segment, net non-performing loans come to 231,6 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.

KPI	AMOUNTS		CHANGE
	31.03.2024	31.12.2023	%
Net Npe ratio	3,26%	3,24%	0,02%
Gross Npe ratio	5,71%	5,48%	0,23%

The net Npe ratio stands at 3,26%, broadly in line with the December 2023 figure, while the gross Npe ratio is 5,71%, an increase of 23 bps compared to December 2023, mostly driven by the reduction in performing loans during the period.

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

Intangible assets and property, plant and equipment

Intangible assets come to 78,5 million Euro, up 2,4% from 76,7 million Euro at 31 December 2023.

This item refers to software and intangible assets generated in-house in the total amount of 40,5 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. As regards the Group's assessments on the impairment testing of such goodwill, please note that the results of this test performed at 31 December 2023 have supported the likelihood of recovery. For more details, we would refer you to the more extensive 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.

On the other hand, with reference to the valuation as at 31 March 2024 concerning the presence of any trigger events, which would call for impairment testing, the analysis did not reveal any such trigger events.

The item Property, plant and equipment comes to 149,8 million Euro, as compared with the 143,3 million Euro booked at 31 December 2023, up 4,6%.

At the end of March 2024, the properties recognised under property, plant and equipment included the important historical building "Villa Marocco", located in Mestre – Venice and housing Banca Ifis's registered office.

Tax assets and liabilities

These items include current and deferred tax assets and liabilities.

Tax assets amount to 273,1 million Euro, a decrease of 4,3% compared to 31 December 2023, mainly due to the release of the portions of deferred tax assets pursuant to Law 214/11 that were prepaid under current legislation.

More specifically, current tax assets amount to 46,8 million Euro, essentially in line with the figure at 31 December 2023.

Deferred tax assets amount to 226,4 million Euro, down on the figure of 238,8 million Euro at 31 December 2023 and consist mainly of 139,3 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 (balance reducing as a result of the proportional releases relative to 2024), 40,9 million Euro of assets recognised for prior tax losses and the aid for economic growth ("ACE") benefit (41,1 million Euro at 31 December 2023) and 46,2 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.

With reference to the recoverability of deferred tax assets recognised at 31 December 2023, please refer to the section "Risks and uncertainties related to estimates" within the "Accounting policies" section of these Notes.

Tax liabilities amount to 63,0 million Euro (57,7 million Euro at 31 December 2023) and are made up as follows:

- current tax liabilities of 31,4 million Euro (26,0 million Euro as at 31 December 2023) representing the tax burden accrued during the period;
- deferred tax liabilities, amounting to 31,7 million Euro, essentially in line with the previous year's balance, mainly include 25,3 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 31 March 2024:

- the "deferred tax assets that rely on future profitability and do not arise from temporary differences" are subject to deduction from CET1; at 31 March 2024, the deduction is 40,9 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 10,8 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 31 March 2024, these assets amount to 37,4 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 20,8 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 31 March 2024, the corresponding weight totals 139,3 million Euro;
- “current tax assets” receive a 0% weight as they are exposures to the Central Government.

Other assets and liabilities

Other assets, of 456,6 million Euro as compared to a balance of 457,6 million Euro at 31 December 2023, mainly include:

- financial assets held for trading in the amount of 13,2 million Euro (12,9 million Euro at 31 December 2023), almost entirely referring to transactions in derivatives (12,1 million Euro down on the figure of 12,9 million Euro at 31 December 2023) substantially hedged by mirror positions recorded under financial liabilities held for trading;
- hedging derivative income in the amount of 42 thousand Euro, which refers to the active component of the hedging strategy of equity securities measured at fair value through other comprehensive income, activated starting in the first quarter of 2024;
- other assets in the amount of 443,3 million Euro (444,7 million Euro at 31 December 2023), which include receivables from the tax authorities in the amount of 202,0 million Euro (of which 188,7 million Euro related to tax credits for superbonus and other building tax bonuses worth a nominal amount of 211,7 million Euro), transitory items and bill portfolio in the amount of 91,0 million Euro; receivables from the tax consolidating company La Scogliera in connection with the Group’s tax consolidation in the amount of 32,5 million Euro, and accrued income and deferred expenses for 65,0 million Euro.

Other liabilities come to 451,4 million Euro as compared with 421,1 million Euro at 31 December 2023, and mainly consist of:

- trading derivatives for 13,8 million Euro (slightly down on the 31 December 2023 figure of 14,0 million Euro), mainly referring to transactions hedged by opposite positions entered amongst financial assets held for trading;
- hedging derivative liabilities, mainly related to the micro fair value hedging strategy on the interest rate risk associated with government securities held by the Group, which show a negative fair value of 7,7 million Euro at 31 March 2024, down from the balance of 11,6 million Euro at 31 December 2023;
- 7,8 million Euro liabilities for post-employment benefits (essentially in line with 31 December 2023);
- 422,0 million Euro for other liabilities (387,6 million Euro at 31 December 2023), largely referred to transitional items and amounts due to customers that have not yet been credited (up on December 2023 following the quarter-end processing), to operating payables for 114,8 million Euro and to payables due to the tax consolidating company La Scogliera for 37,9 million Euro (31,2 million Euro at 31 December 2023).

Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Payables due to banks	**1.666.614**	**2.717.139**	**(1.050.525)**	**(38,7)%**
- Payables due to Central banks	815.647	1.577.874	(762.227)	(48,3)%
- Repurchase agreements	469.298	715.313	(246.015)	(34,4)%
- Other payables	381.669	423.952	(42.283)	(10,0)%
Payables due to customers	**6.156.392**	**5.814.624**	**341.768**	**5,9%**
- Repurchase agreements	71.694	346.317	(274.623)	(79,3)%
- Retail	5.094.682	4.474.892	619.790	13,9%
- Other term deposits	226.684	122.325	104.359	85,3%
- Lease payables	23.110	22.702	408	1,8%
- Other payables	740.222	848.388	(108.166)	(12,7)%
Debt securities issued	**3.515.924**	**3.288.895**	**227.029**	**6,9%**
Total funding	**11.338.930**	**11.820.658**	**(481.728)**	**(4,1)%**

Total funding amounts to 11,3 billion Euro at 31 March 2024 and shows a decrease compared with the figure at 31 December 2023 (-4,1%); it is represented for 54,3% by payables due to customers (49,2% at 31 December 2023), for 31,0% by debt securities issued (27,8% at 31 December 2023), and for 14,7% by payables due to banks (23,0% at 31 December 2023).

Payables due to banks amount to 1,7 billion Euro, down 38,7% compared to the end-December 2023 figure, mainly as a result of the repayment of a tranche of TLTRO III lines for a nominal 750 million Euro and a reduction in repurchase agreements payable to banks of 246,0 million Euro. As at 31 March 2024, the balance of payables due to banks is mainly represented by residual TLTRO transactions in the amount of 815,6 million Euro (the amount includes interest accrued for 29,1 million Euro) and repo transactions in the amount of 469,3 million Euro.

Payables due to customers at 31 March 2024 total 6,2 billion Euro, up 5,9% compared to 31 December 2023. Growth is driven by retail funding, which comes to 5,1 billion Euro at the end of March 2024 (+13,9% compared to 31 December 2023), only partly offset by a reduction of 274,6 million Euro in repurchase agreements to customers.

Debt securities issued amount to 3,5 billion Euro as at 31 March 2024, up by 227,0 million Euro following the issue in February 2024 of a senior bond worth a nominal amount of 400 million Euro and having a term of five years (for more details, please refer to the section “Significant events during the period” of the Interim Directors’ Report on the Group) and the normal amortisation of the Group’s securitisation securities (-147,3 million Euro compared to December 2023). Debt securities issued as at 31 March 2024 consist of:

- securities issued by the SPV ABCP Programme for 0,9 billion Euro relating to the senior tranche;
- securities issued by the SPV Indigo Lease for 0,4 billion Euro relating to the senior tranche;
- securities issued by the Emma SPV for 0,4 billion Euro relating to the senior tranche;
- 0,4 billion Euro related to subordinated loans, essentially in line with 31 December 2023;
- bonds issued by Banca Ifis in the amount of 1,4 billion Euro, up for the above-mentioned senior bond issue of 400 million Euro in February 2024.

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

RETAIL FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Short-term funding (within 18 months)	3.284.780	3.256.259	28.521	0,9%
of which: Unrestricted	*444.278*	*458.116*	*(13.838)*	*(3,0)%*
of which: Like/One	*299.397*	*355.016*	*(55.619)*	*(15,7)%*
of which: restricted	*2.040.034*	*2.145.288*	*(105.254)*	*(4,9)%*
of which: German deposit	*501.071*	*297.839*	*203.232*	*68,2%*
Medium/long-term funding (beyond 18 months)	1.809.902	1.218.633	591.269	48,5%
Total retail funding	**5.094.682**	**4.474.892**	**619.790**	**13,9%**

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2024	31.12.2023	ABSOLUTE	%
Provisions for credit risk related to commitments and financial guarantees granted	4.434	5.374	(940)	(17,5)%
Provisions for pensions	194	196	(2)	(1,0)%
Legal and tax disputes	43.529	43.029	500	1,2%
Personnel expenses	2.445	2.592	(147)	(5,7)%
Other provisions	8.498	6.987	1.511	21,6%
Total provisions for risks and charges	**59.100**	**58.178**	**922**	**1,6%**

Below is the breakdown of the provision for risks and charges at 31 March 2024 by type of dispute compared with the amounts for the end of the prior year.

Provisions for credit risk related to commitments and financial guarantees granted

Provisions for credit risk related to financial commitments and guarantees issued as at 31 March 2024 show a balance of 4,4 million Euro, reflecting the impairment of irrevocable commitments to disburse funds and financial guarantees issued by the Group, which decreased by 0,9 million Euro compared to December 2023.

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 31 March 2024, this fund amounts to 194 thousand Euro.

Legal and tax disputes

At 31 March 2024, provisions have been made for 43,5 million Euro for legal and tax disputes. This amount mainly breaks down as follows:

- 22,0 million Euro for 28 disputes concerning the Factoring Area (the plaintiffs seek 41,4 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, 4 new cases were received with a corresponding provision of 0,9 thousand Euro, while 1 case was closed with a total provision of 97 thousand Euro;
- 8,9 million Euro (the plaintiffs seek 14,4 million Euro in damages) for 16 disputes 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;
- 6,6 million Euro (the plaintiffs seek 54,1 million Euro in damages) for 7 disputes concerning the Corporate Banking & Lending Area deriving from the former Interbanca. With respect to 31 December 2023, a new case was notified, the corresponding provision amounting to 62 thousand Euro;
- 1,3 million Euro (the plaintiffs seek 1,5 million Euro in damages) for 26 disputes concerning the Leasing Area and tax receivables. No cases were closed during the first quarter of 2024, while 11 new disputes were received, the associated provision for which come to 56 thousand Euro;
- 2,5 million Euro (the plaintiffs seek 7,0 million Euro in damages) for 53 disputes of Ifis Npl Investing. In the first three months of 2024, 3 disputes were closed for a provision of 147 thousand Euro and 6 new cases were received, for which the provision made as at 31 March 2024 was 42 thousand Euro;
- 1,0 million Euro relating to various disputes concerning Banca Credifarma (the plaintiffs seek 5,3 million Euro). During the first three months of 2024, 2 disputes were closed, for which the associated provision amounts to 14 thousand Euro as at 31 December 2023, while no new cases have been received;
- 573 thousand Euro (the plaintiffs seek 1,0 million Euro in damages) for 15 disputes regarding the company Revalea. During the period, the company was notified of a new dispute, the associated provision for risks and charges of which come to 1 thousand Euro at 31 March 2024, while 3 cases were settled, the associated provision for which come to 157 thousand Euro at 31 December 2023;
- 617 thousand Euro (the plaintiffs seek 3,0 million Euro) mainly for disputes with customers and agents relating to Cap.Ital.Fin. During the first quarter of 2024, 11 cases were closed with a provision of 76 thousand Euro at 31 December 2023 and 9 cases were opened with a provision of 23 thousand Euro;
- 30 thousand Euro (the plaintiffs seek the same amount in damages) for disputes concerning the investee Ifis Rental Services.

Personnel expenses

At 31 March 2024, provisions are entered for staff for 2,4 million Euro (2,6 million Euro at 31 December 2023) of which 1,9 million Euro relating to the Solidarity Fund.

Other provisions for risks and charges

At 31 March 2024, “Other provisions” are in place for 8,5 million Euro, a rise on the figure recorded at 31 December 2023 (+1,5 million Euro, +21,6%) as a result of net provisions mostly arising from guarantees given in an equity transaction. The item mainly consists of 3,9 million Euro for Supplementary Customer Indemnity in connection with the Leasing Area’s operations, 3,0 million Euro for the provision for risks linked to assignments and 0,7 million Euro for the provision for complaints.

Contingent liabilities

The most significant potential liabilities existing as at 31 March 2024, for which a negative outcome is held to be merely “possible” are detailed below by way of information only. The amount sought in association with these contingent liabilities totals 469,6 million Euro as at 31 March 2024.

During the fourth quarter of 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

Dispute concerning the assumed “permanent establishment” in Italy of the Polish company Ifis Finance Sp. z o.o.

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 Police Force 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.

2013-2014-2015:

- on 12 November 2020, the Venice Provincial Tax Commission fully upheld the appeal filed by Banca Ifis (ruling No. 266/2021) against the notices of IRES, IRES surcharge and IRAP tax assessment for the years 2013/2014/2015 issued by the Italian Revenue Agency. The Commission 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 the Parent Company established to this end”;
- on 14 October 2021, the Revenue Agency was notified of the filing of the appeal with the Veneto Regional Tax Commission (“CTR”);
- on 2 December 2021, the Bank filed its rebuttal arguments in defence of its positions as confirmed by the Provincial Tax Commission;
- with judgement No. 201/2023, filed on 27 February 2023, the Veneto Court of Tax Appeals of second instance rejected the appeal of the Revenue Agency, thus confirming the first instance sentence (favourable to the Bank) and awarded 5 thousand Euro in expenses *ex lege* in favour of the Bank. At present, the Revenue Agency has not yet appealed in Cassation.

2016:

- in June 2022, the Notices of Assessment for 2016 were also served, containing the same objections and arguments as in the previous years, with the addition of the disputes of costs recorded in 2016 that were deemed to be outside the accrual period;
- the Notice of Assessment for 2016 was challenged within the time limits provided for by the legislation, and at the same time one third of the taxes were paid pending judgement. The Venice Tax Commission, with ruling No. 111/2024 filed on 8 February 2024, upheld the appeal filed by the Bank.

2017:

- in September 2022, the Notices of Assessment for 2017 were also served containing the same objections and arguments as for the previous year. These deeds were challenged within the terms of the law.

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 will be challenged within the time limits provided for by the legislation, and at the same time one third of the taxes will be 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 31 March 2024 totals 1.741,7 million Euro, up 2,8% 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	
	31.03.2024	31.12.2023	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	84.108	84.108	-	0,0%
Valuation reserves:	(32.028)	(39.215)	7.187	(18,3)%
- Securities	*(26.697)*	*(33.359)*	*6.662*	*(20,0)%*
- Defined benefit plans (e.g. severance indemnity)	*446*	*290*	*156*	*53,8%*
- Exchange differences	*(5.849)*	*(6.146)*	*297*	*(4,8)%*
- Hedging of equity securities at fair value through other comprehensive income	*72*	*-*	*72*	*n.a.*
Reserves	1.658.676	1.505.424	153.252	10,2%
Interim dividends (-)	(62.962)	(62.962)	-	0,0%
Treasury shares (-)	(21.817)	(21.817)	-	0,0%
Equity attributable to non-controlling interests	14.694	14.240	454	3,2%
Profit for the period attributable to the Parent Company	47.176	160.110	(112.934)	(70,5)%
Consolidated equity	**1.741.658**	**1.693.699**	**47.959**	**2,8%**

CONSOLIDATED EQUITY: CHANGES	(in thousands of Euro)
Consolidated equity at 31.12.2023	**1.693.699**
Increases:	**49.276**
Profit for the period attributable to the Parent Company	47.176
Change in valuation reserve	525
- Defined benefit plans (e.g. severance indemnity)	*156*
- Exchange differences	*297*
- Hedging of equity securities at fair value through other comprehensive income	*72*
Stock options	657
Equity attributable to non-controlling interests	454
Other changes	464
Decreases:	**1.317**
Change in valuation reserve on securities (net of realisations)	1.317
Consolidated equity at 31.03.2024	**1.741.658**

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	31.03.2024(1)	31.12.2023(2)
Common Equity Tier 1 (CET1) capital	1.530.859	1.544.497
Tier 1 capital	1.531.786	1.545.424
Total Own Funds	**1.781.242**	**1.812.324**
Total RWAs	**10.220.896**	**10.390.002**
CET1 Ratio	14,98%	14,87%
Tier 1 Ratio	14,99%	14,87%
Total Capital Ratio	**17,43%**	**17,44%**

(1) CET1, Tier 1 and Total Capital do not include the profits generated by the Banking Group in the first three months of 2024.
(2) CET1, Tier 1 and Total Capital include the profits accrued by the Banking Group at 31 December 2023, 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 31 March 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 31 March 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").

EU Regulation No. 873/2020, relative to the transitional provisions aimed at mitigating 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:

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

As at 31 March 2024, taking into account the transitional treatment adopted to mitigate the impacts of IFRS 9 on CET1, Own funds amount to 1.781,2 million Euro, recording a negative change of 31,1 million Euro compared to 31 December 2023. This change is mainly attributable to the following components:

- 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 17,4 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 13,8 million Euro;
- higher deduction from the CET1, deriving from the increase in receivables within the scope of what is termed "Calendar provisioning", for 6,9 million Euro;
- lesser deduction of investments in intangible assets, determining a positive change of 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 169,1 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	**5.687.832**	***2.539.896***	***1.323.219***	***1.824.717***	**1.875.093**	**1.431.390**	**8.994.315**
RWA for market risk	X	*X*	*X*	*X*	X	X	109.288
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	89.350
Total RWAs	**X**	***X***	***X***	***X***	**X**	**X**	**10.220.896**

As at 31 March 2024, taking into account the transitional treatment adopted to mitigate the impact of IFRS 9, Risk Weighted Assets (RWAs) amount to 10.220,9 million Euro, a decrease of 169,1 million compared to December 2023. Specifically, please note:

- a reduction in credit risk of 255 million Euro mainly attributable to the following changes:

- a reduction of 179 million Euro recorded on the Corporate portfolio mainly related to a decrease in loans on the Factoring Area;
- a reduction of 43 million Euro related to the exposure class Institutions, mainly due to the decrease in repurchase agreements and securities transactions;
- a reduction of 52 million Euro in the "Exposures in default" portfolio;
- net changes in the other exposure classes, the effect of which amounts to a total increase of 18 million Euro;

- an increase in market and exchange rate risk components, totalling 86 million Euro, due to an increase in derivative transactions and currency positions, respectively.

Following the above-described dynamics, at 31 March 2024, the CET1 ratio stands at 14,98%, up 11 basis points from 31 December 2023, while the Total Capital ratio stands at 17,43%, essentially in line with the 31 December 2023 figure.

At 31 March 2024, not considering the filter related to the IFRS 9 transitional regime, fully loaded Own funds amount to 1.769,0 million Euro and consequently the RWAs, when fully applied, come to 10.220,9 million Euro.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS WITHOUT IFRS 9 TRANSITIONAL ARRANGEMENTS (in thousands of Euro)	AMOUNTS	
	31.03.2024[1]	31.12.2023[2]
Common Equity Tier 1 (CET1) capital	1.518.632	1.518.451
Tier 1 capital	1.519.559	1.519.378
Total Own Funds	**1.769.015**	**1.786.278**
Total RWAs	**10.220.896**	**10.386.270**
CET1 Ratio	14,86%	14,62%
Tier 1 Ratio	14,87%	14,63%
Total Capital Ratio	**17,31%**	**17,20%**

(1) CET1, Tier 1 and Total Capital do not include the profits generated by the Banking Group in the first three months of 2024.
(2) CET1, Tier 1 and Total Capital include the profits accrued by the Banking Group at 31 December 2023, 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 will have 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"):

- 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 31 March 2024, the Banca Ifis Group easily met the above-specified requirements.

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**
14,80% (1) of the Total Risk Exposure Amount (TREA)	8% (1) of the Total Risk Exposure Amount (TREA)
4.25% 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 31 March 2024, following the monitoring process, both indicators were easily met.

Group liquidity position and coefficients

During the first three 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 31 March 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 2.600% 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.

In accordance with the requirements of the aforementioned Consob Communication, it should be noted that at 31 March 2024 the carrying amount of sovereign debt exposures is 1.690 million Euro, net of the negative valuation reserve of 18,3 million Euro.

These securities, with a nominal amount of 1.700 million Euro have a weighted residual average life of 43 months.

The fair values used to measure the exposures to sovereign debt securities at 31 March 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 31 March 2024 amounted to 329 million Euro, of which 82 million Euro related to tax credits.

Reclassified income statements items

Formation of net banking income

Net banking income amounts to 185,2 million Euro, up compared to the figure at 31 March 2023 (175,8 million Euro, +5,4%), due to the growth of all Segments; in particular, the Commercial & Corporate Banking Segment amounts to 89,3 million Euro (+1,4 million Euro compared to March 2023), the Npl Segment stands at 74,3 million Euro (+4,8 million Euro compared to the first quarter of 2023), followed by the contribution of the Governance & Services and Non-Core Segment amounting to 21,7 million Euro, up 3,2 million Euro compared to March 2023.

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

FORMATION OF NET BANKING INCOME (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	140.758	139.439	1.319	0,9%
Net commission income	23.074	23.327	(253)	(1,1)%
Other components of net banking income	21.406	13.059	8.347	63,9%
Net banking income	**185.238**	**175.825**	**9.413**	**5,4%**

Net interest income, amounting to 140,8 million Euro as at 31 March 2024, is substantially stable compared with the figure as at 31 March 2023, as the growth in contributions from the Commercial & Corporate Banking Segment (+3,5 million Euro) and the Npl Segment (+6,0 million Euro) was in fact offset by the reduction in net interest income from the Governance & Services and Non-Core Segment (-8,1 million Euro), which suffers both the physiological lesser contribution of a portfolio in run-off and the related PPA and the higher cost of funding.

Net commissions come to 23,1 million Euro, essential stable when compared with the figure as at 31 March 2023: this trend is mainly attributable to the higher contribution of commission income, mainly related to the Pharmacies unit of the Corporate Banking & Lending Area (+0,8 million Euro), which was in fact offset by a parallel increase in commission expenses, especially in the Npl Segment where, compared to 31 March 2023, commissions paid by the newly acquired company Revalea to third-party servicers are now also included for 1,4 million Euro. In particular:

- commission income, totalling 28,0 million Euro, up 5,5% on 31 March 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 for services;
- Commission expense is 4,9 million Euro, up 1,7 million Euro compared with the figure of the corresponding period of 2023, due to the inclusion of 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 21,4 million Euro at 31 March 2024, up by 8,3 million Euro compared with the first three months of 2023, and broke down as follows:

- 12,4 million Euro from the net positive result of other financial assets and liabilities measured at fair value through profit or loss (up by 3,5 million Euro compared with the figure at 31 March 2023), primarily represented by the net positive change in the Q1 2024 fair value of equity securities for 8,0 million Euro (which includes the capital gain on the sale for 5,9 million Euro of participating financial instruments obtained from a restructuring operation of the debt of a position in the Non-Core unit) and UCITS fund units for 3,5 million Euro;

- 9,7 million Euro in net gains from the sale or repurchase of financial assets and liabilities (net gains of 3,4 million Euro at 31 March 2023), comprising 9,6 million Euro related to transactions on securities in the proprietary portfolio (above all for the disposal of bonds), as well as 0,1 million Euro from the sale of loans in the NPL Segment;
- 0,8 million Euro for dividends generated by shares held in the Group-owned portfolio (0,7 million Euro in the first three months of 2023);
- 0,6 million Euro due to the negative net result from trading activities, a worsening on the essentially null net result of the first three months of 2023, mainly due to the change in the period fair value of trading derivatives;
- 1,0 million Euro for the net negative result of hedging activities, which started in the second quarter of 2023 to hedge the interest rate risk associated with the portfolio of government bonds at amortised cost held by the Group.

Formation of net profit (loss) from financial activities

The Group's net profit from financial activities totals 176,6 million Euro, compared to 165,9 million Euro at 31 March 2023 (+6,5%).

FORMATION OF NET PROFIT (LOSS) FROM FINANCIAL ACTIVITIES (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**185.238**	**175.825**	**9.413**	**5,4%**
Net credit risk losses/reversals	(8.589)	(9.971)	1.382	(13,9)%
Net profit (loss) from financial activities	**176.649**	**165.854**	**10.795**	**6,5%**

Net credit risk losses of 8,6 million Euro are down 1,4 million Euro compared to March 2023, the period in which 5,0 million Euro had been allocated for "management overlay" to take into account the macroeconomic environment and the specificities of the Group's portfolio, mostly related to the Corporate Banking & Lending Area. The credit cost in the first quarter of 2024 was mainly characterised by the following dynamics:

- a 2,1 million Euro reduction in collective impairment losses related to the performing portfolio as a result, on the one hand, of the updating in February 2024 of the PD and LGD parameters of the models, which led to a 1,7 million Euro write-back, and, on the other hand, a reduction in volumes, which led to 0,4 million Euro in releases;
- allocations made against the deterioration recorded in both the Factoring Area (4,6 million Euro) and in the Corporate Banking unit (4,0 million Euro), to which were added the net allocations in the Leasing Area and in the Lending division for total 2 million Euro.

Further details of the different trends connected with the credit cost are given in the section "Contribution of business segments to Group results".

Formation of net profit for the period

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

FORMATION OF NET PROFIT (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Net profit (loss) from financial activities	**176.649**	**165.854**	**10.795**	**6,5%**
Operating costs	**(102.120)**	**(91.077)**	**(11.043)**	**12,1%**
Charges related to the banking system	(9)	(5.863)	5.854	(99,8)%
Net allocations to provisions for risks and charges	(2.149)	(518)	(1.631)	314,9%
Non-recurring expenses and income	(40)	-	(40)	n.a.
Pre-tax profit from continuing operations	**72.331**	**68.396**	**3.935**	**5,8%**
Income taxes for the period relating to continuing operations	(24.701)	(22.078)	(2.623)	11,9%
Profit (Loss) for the period	**47.630**	**46.318**	**1.312**	**2,8%**
Profit (Loss) for the period attributable to non-controlling interests	(454)	(404)	(50)	12,4%
Profit (Loss) for the period attributable to the Parent Company	**47.176**	**45.914**	**1.262**	**2,7%**

Operating costs total 102,1 million Euro, showing an increase on 31 March 2023 (+12,1%). The trend is attributable on the one hand to the increase in personnel expenses (+3,7 million Euro compared to March 2023), which is linked to the increase in resources and the renewal of the National Collective Bargaining Agreement (NCBA) for bank employees, and on the other hand to other administrative expenses, which rise by 8,1 million Euro. The cost/income ratio stands at 55,1%, showing an increase in the 31 March 2023 figure (51,8%).

OPERATING COSTS (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Administrative expenses:	105.337	93.517	11.820	12,6%
a) personnel expenses	*43.396*	*39.708*	*3.688*	*9,3%*
b) other administrative expenses	*61.941*	*53.809*	*8.132*	*15,1%*
Net impairment losses/reversals on property, plant and equipment and intangible assets	5.174	4.202	972	23,1%
Other operating income/expenses	(8.391)	(6.642)	(1.749)	26,3%
Operating costs	**102.120**	**91.077**	**11.043**	**12,1%**

Personnel expenses, amounting to 43,4 million Euro, record an increase of 9,3%, 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 31 March 2024 was 1.968, compared to 1.883 resources at 31 March 2023) and on the other hand to the effects of the renewed national collective bargaining agreement (+1,8 million Euro).

Other administrative expenses at 31 March 2024 are 61,9 million Euro, showing an increase on 31 March 2023. This change is related to the contribution of Revalea in the amount of 4,4 million Euro (contribution not present for the comparative figure of March 2023 as the company was acquired during the fourth quarter of 2023), higher costs related to the restructuring of the Group's securitisations carried out in July 2023 (+2,4 million Euro), and higher outsourcing costs related to the Npl Segment (+2,7 million Euro).

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

OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2024	2023	ABSOLUTE	%
Expenses for professional services	**31.154**	**25.316**	**5.838**	**23,1%**
Legal and consulting services	20.207	21.015	(808)	(3,8)%
Fees to auditing firms	454	406	48	11,8%
Outsourced services	10.492	3.895	6.597	169,4%
Direct and indirect taxes	**9.290**	**10.171**	**(881)**	**(8,7)%**
Expenses for purchasing goods and other services	**21.497**	**18.322**	**3.175**	**17,3%**
Software assistance and hire	5.282	4.818	464	9,6%
Securitisation costs	3.321	922	2.399	260,2%
Advertising and inserts	2.968	3.311	(343)	(10,4)%
Customer information	2.926	2.642	284	10,7%
Property expenses	2.084	1.828	256	14,0%
Telephone and data transmission expenses	957	913	44	4,8%
Postage and archiving of documents	937	1.024	(87)	(8,5)%
Car fleet management and maintenance	917	716	201	28,1%
Business travel and transfers	906	618	288	46,6%
Other sundry expenses	1.199	1.530	(331)	(21,6)%
Total other administrative expenses	**61.941**	**53.809**	**8.132**	**15,1%**

The sub-item "Legal and consulting services" comes to 20,2 million Euro at 31 March 2024, down 3,8% on the figure recorded for the same period of last year.

The sub-item "Outsourced services", amounting to 10,5 million Euro at 31 March 2024, records an increase of 6,6 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 (+4,1 million Euro), and on the other hand to the recovery activity of Ifis Npl Investing, which in the first quarter of 2023 had benefited from the settlement of the effects of the change in the commission system.

"Direct and indirect taxes" come to 9,3 million Euro, a reduction on the figure at 31 March 2023, which was 10,2 million Euro (-8,7%). The item mainly consists of the registration tax incurred for the judicial recovery of receivables belonging to non-performing loans for an amount of 6,1 million Euro at 31 March 2024, down 1,3 million Euro compared with the figure for the same period of last year, and also includes costs for stamp duty for 2,8 million Euro (in line with the 31 March 2023 figure), the recharging of which to customers is included in the item "Other operating income".

"Expenses for purchasing goods and other services" amount to 21,5 million Euro, up 17,3% from the 18,3 million Euro at 31 March 2023. The top factors that mainly influence the result are:

- software support and rental, which increase by 9,6% compared to the first three months of 2023, almost entirely attributable to higher support services for the Group's software;

- securitisation costs, which increase from 0,9 million Euro in March 2023 to 3,3 million Euro in March 2024 mainly due to the higher collection expenses on securitisations performed by the Ifis NPL 2021-1 SPV S.r.l., whose increase follows the development of the underlying securitised portfolio;
- advertising expenses fall from 3,3 million Euro to 3,0 million Euro in March 2024, as the comparative figure was affected by the impact of new advertising campaigns carried out in the first quarter of 2023 (the year in which the 40th anniversary of the Banca Ifis foundation was celebrated);
- customer information expenses, amounting to 2,9 million Euro, increase by 10,7% mainly due to the cyclical nature of the expenses related to the processing of portfolios under the Group's management and the type of acquisitions of non-performing portfolios performed at the end of the previous year.

Net adjustments of property, plant and equipment and intangible assets at 31 March 2024 amount to 2,8 million Euro and 2,4 million Euro, respectively, essentially in line with the figures for the same period of the previous year.

Other net operating income, amounting to 8,4 million Euro at 31 March 2024, records growth of 1,7 million Euro (+26,3%) on the figure for the equivalent period last year. 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 March 2024 amount to 102,1 million Euro, up from the balance of 91,1 million Euro in March 2023.

The item Charges related to the banking system as at 31 March 2024 amounts to 9 thousand Euro and includes the costs accrued in the first quarter of 2024, incurred for the operation of the banking system's guarantee funds, a decrease compared to the balance at 31 March 2023, which also included 5,9 million Euro for the estimated last contribution under the Single Resolution Fund (SRF)'s accumulation plan.

At 31 March 2024, net allocations to provisions for risks and charges amount to 2,1 million Euro, an increase of 1,6 million Euro compared to the balance at 31 March 2023. The first quarter of 2024 was characterised by provisions for payments under guarantee of 0,9 million Euro and 1,5 million Euro for guarantees for indemnities in connection with a sale of a shareholding.

"Non-recurring expenses and income" include the cost and revenue items deemed as "non-recurring". The net balance as at 31 March 2024 is negative for 40 thousand Euro and refers to non-recurring operating costs accrued in the first quarter of 2024 directly or indirectly related to the acquisition of Revalea and its integration within the Banca Ifis Group and, specifically, the Npl Segment.

Income tax at 31 March 2024 comes to 24,7 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 47,2 million Euro, up 2,7% on the same period of 2023.

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 Bank's Business Plan for the three-year period 2022-2024, which estimates 2,5 billion Euro of new placements.

Significant subsequent events

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 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 will be paid with ex-dividend date 20 May 2024, record date of 21 May 2024 and payment date of 22 May 2024;
- Section I of the document "Report on Remuneration Policy and Remuneration Paid" prepared in accordance with Art. 123-*ter* of Legislative Decree No. 58/1998. The Shareholders' Meeting also resolved in favour of Section II of the aforementioned document relating to the implementation of remuneration policies during FY 2023;
- the proposal by the majority shareholder La Scogliera S.A. to appoint Nicola Borri as a new independent director, to replace the resigning director Sebastien Egon Fürstenberg, who, as honorary chairman, continues to participate in corporate and board life under the terms of the Articles of Association. Prof. Borri will remain in office until the natural expiry of the Board of Directors currently in office, i.e. until the Shareholders' Meeting called to approve the financial statements for FY 2024.

No other significant events occurred between period end and the approval of the Consolidated Interim Report by the Board of Directors.

Venice - Mestre, 9 May 2024

For the Board of Directors

The CEO

Frederik Herman Geertman

Declaration of the Manager Charged with preparing the Company’s financial reports

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 31 March 2024 coincides with the documented results, books and accounting records.

Venice - Mestre, 9 May 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.

Annexes

Reconciliation between reclassified consolidated financial statements and consolidated financial statements

RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)			31.03.2024	31.12.2023
Cash and cash equivalents			**1.184.454**	**857.533**
+	*10.*	*Cash and cash equivalents*	*1.184.454*	*857.533*
Financial assets held for trading			**13.194**	**12.896**
+	*20.a*	*Financial assets measured at fair value through profit or loss: a) financial assets held for trading*	*13.194*	*12.896*
Financial assets mandatorily measured at fair value through profit or loss			**238.907**	**221.982**
+	*20.c*	*Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value*	*238.907*	*221.982*
Financial assets measured at fair value through other comprehensive income			**522.504**	**749.176**
+	*30.*	*Financial assets measured at fair value through other comprehensive income*	*522.504*	*749.176*
Receivables due from banks measured at amortised cost			**661.464**	**637.567**
+	*40.a*	*Financial assets measured at amortised cost: a) receivables due from banks*	*661.464*	*637.567*
Receivables due from customers measured at amortised cost			**10.088.699**	**10.622.134**
+	*40.b*	*Financial assets measured at amortised cost: b) receivables due from customers*	*10.088.699*	*10.622.134*
Hedging derivatives			**42**	**-**
+	*50.*	*Hedging derivatives*	*42*	*-*
Equity investments			**24**	**24**
+	*70.*	*Equity investments*	*24*	*24*
Property, plant and equipment			**149.828**	**143.255**
+	*90.*	*Property, plant and equipment*	*149.828*	*143.255*
Intangible assets			**78.506**	**76.667**
+	*100.*	*Intangible assets*	*78.506*	*76.667*
of which: - goodwill			***38.020***	***38.020***
Tax assets			**273.148**	**285.435**
a) current			**46.787**	**46.601**
+	*110.a*	*Tax assets: a) current*	*46.787*	*46.601*
b) prepaid			**226.361**	**238.834**
+	*110.b*	*Tax assets: b) prepaid*	*226.361*	*238.834*
Other assets			**443.325**	**444.692**
+	*130.*	*Other assets*	*443.325*	*444.692*
Total assets			**13.654.095**	**14.051.361**

RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)			31.03.2024	31.12.2023
Payables due to banks			**1.666.614**	**2.717.139**
+	*10.a*	*Financial liabilities measured at amortised cost: a) payables due to banks*	*1.666.614*	*2.717.139*
Payables due to customers			**6.156.392**	**5.814.624**
+	*10.b*	*Financial liabilities measured at amortised cost: b) payables due from customers*	*6.156.392*	*5.814.624*
Debt securities issued			**3.515.924**	**3.288.895**
+	*10.c*	*Financial liabilities measured at amortised cost: c) securities issued*	*3.515.924*	*3.288.895*
Financial liabilities held for trading			**13.773**	**14.005**
+	*20.*	*Financial liabilities held for trading*	*13.773*	*14.005*
Hedging derivatives			**7.707**	**11.644**
+	*40.*	*Hedging derivatives*	*7.707*	*11.644*
Tax liabilities			**63.046**	**57.717**
a) current			**31.363**	**26.025**
+	*60.a*	*Tax liabilities: a) current*	*31.363*	*26.025*
b) deferred			**31.683**	**31.692**
+	*60.b*	*Tax liabilities: b) deferred*	*31.683*	*31.692*
Other liabilities			**422.036**	**387.554**
+	*80.*	*Other liabilities*	*422.036*	*387.554*
Post-employment benefits			**7.845**	**7.906**
+	*90.*	*Post-employment benefits*	*7.845*	*7.906*
Provisions for risks and charges			**59.100**	**58.178**
+	*100.a*	*Provisions for risks and charges: a) commitments and guarantees granted*	*4.434*	*5.374*
+	*100.b*	*Provisions for risks and charges: b) pensions and similar obligations*	*194*	*196*
+	*100.c*	*Provisions for risks and charges: c) other provisions for risks and charges*	*54.472*	*52.608*
Valuation reserves			**(32.028)**	**(39.215)**
+	*120.*	*Valuation reserves*	*(32.028)*	*(39.215)*
Reserves			**1.658.676**	**1.505.424**
+	*150.*	*Reserves*	*1.658.676*	*1.505.424*
Interim dividends (-)			**(62.962)**	**(62.962)**
+	*155.*	*Interim dividends (-)*	*(62.962)*	*(62.962)*
Share premiums			**84.108**	**84.108**
+	*160.*	*Share premiums*	*84.108*	*84.108*
Share capital			**53.811**	**53.811**
+	*170.*	*Share capital*	*53.811*	*53.811*
Treasury shares (-)			**(21.817)**	**(21.817)**
+	*180.*	*Treasury shares (-)*	*(21.817)*	*(21.817)*
Equity attributable to non-controlling interests (+/-)			**14.694**	**14.240**
+	*190.*	*Equity attributable to non-controlling interests (+/-)*	*14.694*	*14.240*
Profit (Loss) for the period			**47.176**	**160.110**
+	*200.*	*Profit (Loss) for the period (+/-)*	*47.176*	*160.110*
Total liabilities and equity			**13.654.095**	**14.051.361**

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)			31.03.2024	31.03.2023
Net interest income			**140.758**	**139.439**
+	*30.*	*Net interest income*	*104.607*	*109.092*
+	*130.a (Partial)*	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*36.151*	*30.347*
Net commission income			**23.074**	**23.327**
+	*60.*	*Net commission income*	*23.074*	*23.327*
Other components of net banking income			**21.406**	**13.059**
+	*70.*	*Dividends and similar income*	*845*	*737*
+	*80.*	*Net profit (loss) from trading*	*(588)*	*(41)*
+	*90.*	*Net result from hedging*	*(1.032)*	*-*
+	*100.a*	*Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost*	*8.731*	*2.477*
+	*100.b*	*Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income*	*922*	*402*
+	*100.c*	*Gains (losses) on sale/buyback of: c) financial liabilities*	*87*	*523*
+	*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*	*12.441*	*8.961*
Net banking income			**185.238**	**175.825**
Net credit risk losses/reversals			**(8.589)**	**(9.971)**
+	*130.a*	*Net credit risk losses/reversals related to: a) financial assets measured at amortised cost*	*26.311*	*20.497*
-	*130.a (Partial)*	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*(36.151)*	*(30.347)*
+	*130.b*	*Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income*	*376*	*21*
+	*200.a (partial)*	*Net allocations for credit risk related to commitments and guarantees granted*	*875*	*(142)*
Net profit (loss) from financial activities			**176.649**	**165.854**
Administrative expenses			**(105.337)**	**(93.517)**
+	*190.a*	*a) personnel expenses*	*(43.396)*	*(39.708)*
+	*190.b*	*b) other administrative expenses*	*(61.990)*	*(53.822)*
-	*190.b (partial)*	*b) other administrative expenses: non-recurring charges*	*40*	*-*
-	*190.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*9*	*13*
Net impairment losses/reversals on property, plant and equipment and intangible assets			**(5.174)**	**(4.202)**
+	*210.*	*Net impairment losses/reversals on property, plant and equipment*	*(2.777)*	*(2.346)*
+	*220.*	*Net impairment losses/reversals on intangible assets*	*(2.397)*	*(1.856)*
Other operating income/expenses			**8.391**	**6.642**
+	*230.*	*Other operating income/expenses*	*8.391*	*6.642*
Operating costs			**(102.120)**	**(91.077)**
+	*240.*	*Operating costs*	*(103.443)*	*(97.600)*
-	*190.b (partial)*	*b) other administrative expenses: non-recurring charges*	*40*	*-*
-	*190.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*9*	*13*
-	*200.*	*Net allocations to provisions for risks and charges*	*1.274*	*6.510*

Charges related to the banking system			**(9)**	**(5.863)**
+	*190.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*(9)*	*(13)*
+	*200.a (partial)*	*Net provisions on commitments and guarantees issued: contributions to resolution and deposit protection funds*	*-*	*(5.850)*
Net allocations to provisions for risks and charges			**(2.149)**	**(518)**
+	*200.a*	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	*875*	*(5.992)*
-	*200.a (partial)*	*Net allocations for credit risk related to commitments and guarantees granted*	*(875)*	*142*
-	*200.a (partial)*	*Net provisions on commitments and guarantees issued: contributions to resolution and deposit protection funds*	*-*	*5.850*
+	*200.b*	*Net allocations to provisions for risks and charges: b) other net allocations*	*(2.149)*	*(518)*
Non-recurring expenses and income			**(40)**	**-**
+	*190.b (partial)*	*b) other administrative expenses: non-recurring charges*	*(40)*	*-*
Pre-tax profit (Loss) for the period from continuing operations			**72.331**	**68.396**
Income taxes for the period relating to continuing operations			**(24.701)**	**(22.078)**
+	*300.*	*Income taxes for the period relating to continuing operations*	*(24.701)*	*(22.078)*
Profit (Loss) for the period			**47.630**	**46.318**
Profit (Loss) for the period attributable to non-controlling interests			**(454)**	**(404)**
+	*340.*	*Profit (Loss) for the period attributable to non-controlling interests*	*(454)*	*(404)*
Profit (Loss) for the period attributable to the Parent Company			**47.176**	**45.914**

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