Annual Report

2024

Banca Ifis

Summary

It should be noted that any reference made to "2024 Report and Financial Statements" within this document is to be understood as being made to the "2024 Draft Report and Financial Statements", which is approved by the Board of Directors and represents the Board of Directors' proposal to the Shareholders' Meeting for the approval of the 2024 Report and Financial Statements.

This document is prepared in PDF format for the purpose of facilitating the reading of the financial statements and does not represent the Annual Financial Report for FY 2024 of the Banca Ifis Group, which must be prepared in accordance with the provisions of European Commission Regulation 815/2019 (the European Single Electronic Format - ESEF - Regulation). In order to comply with the disclosure requirements of Directive 2004/109/EC (the Transparency Directive), the Annual Financial Report prepared in the "ESEF" format is published within the legal deadlines.

The accompanying consolidated and separate financial statements of Banca Ifis S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

Banca Ifis

100% Ifis Npl Investing S.p.A.
Intermediary registered in the Order pursuant to Article 106 of the TUB

100% Ifis Npl Servicing S.p.A.
Intermediary registered in the Order pursuant to Article 106 of the TUB

100% Ifis Rental Services S.r.l.
Equipment Finance operating leasing

100% Cap.Ital.Fin. S.p.A.
Intermediary registered in the Order pursuant to Article 106 of the TUB

87,74% Banca Credifarma S.p.A.
Company with a banking licence

100% Ifis Finance Sp Zoo
Poland

99,99% Ifis Finance I.F.N. S.A.
Romania

51% Ifis Npl 2021-1 SPV S.r.l.*

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

Corporate Bodies

Banca Ifis

Corporate offices and Independent auditing firm in office at approval of the 2024 Annual Report

Honorary Chairman
Sebastien Egon Fürstenberg

Board of Directors

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

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

Board of Statutory Auditors

Chairman	Andrea Balelli
Standing Auditors	Annunziata Melaccio
	Franco Olivetti
Alternate Auditors	Marinella Monterumisi
	Emanuela Rollino

General Management

Co-General Managers	Fabio Lanza
	Raffaele Zingone

Manager charged with preparing the the Company's financial reports
Massimo Luigi Zanaboni

Independent Auditors
PricewaterhouseCoopers S.p.A.

Parent company name - Banca Ifis S.p.A.
Fully paid-up share capital: 53.811.095 Euro
Name of reporting party - Banca Ifis S.p.A.
Name of ultimate parent of Group - 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

Member of FCI

Letter from the Chairman to Shareholders

Ernesto Fürstenberg Fassio

Chairman of Banca Ifis S.p.A.

Dear Shareholders,

2024 was a complex year the world over. Despite this complexity and high economic uncertainty, we successfully completed the three-year 2022-2024 Business Plan and D.O.E.S. (Digital, Open, Efficient, Sustainable), accelerating the Banca Ifis Group's long-term, sustainable growth path. Growth took place under all relevant profiles - economic-financial, industrial and sustainability - and allowed us to generate value for the benefit of all our stakeholders, including in relation to ESG aspects, which are also fully organic to our strategic and operational model.

A few more details in relation to each of the three profiles (economic-financial, industrial and sustainability) listed.

Starting with the economic-financial dimension, we have **exceeded all the main targets we had set ourselves with our Business Plan**, both in terms of net profit for each of the three years of its time-frame and in terms of cumulative profit for the three-year period 2022-2024. The latter amounts to 463 million Euro, 12% above target. As far as dividends are concerned, also thanks to the new dividend policy approved in 2023, we have significantly **improved our ability to generate value for our shareholders**, paying out 295 million Euro in dividends over the three-year period 2022-2024, a figure 47% higher than the plan target initially set at 200 million Euro.

From an industrial point of view too, we have successfully completed the implementation of the new 'Open' model indicated in the plan: we have **initiated commercial partnerships with leading operators** (such as Fineco in deposit accounts, Banca Generali and Zurich Bank in supporting entrepreneurs), while on the innovation front, we have completed the roadmap of deep process transformation, thanks to the 76 million Euro investment that has enabled us to become an even more agile and efficient organisation. These measures, together with the dynamism of the sales network, enabled us to achieve positive results, which more than offset the increased cost of funding due to higher interest rates than in the past.

The integration of sustainability in the Business Plan has allowed us to release value not only in economic and industrial terms, thanks to an articulated programme of initiatives we have implemented in all areas of sustainability: environmental, social and governance, in line with the UN 2030 Agenda and the 17 Sustainable Development Goals. Also in 2024, in the wake of the activities that the Group has initiated since I took office as Chairman, we continued our efforts to support SMEs on their path to sustainable transformation, with a particular focus on the **reduction of financed emissions**, for which we have for years set a target of zero net emissions from the loan portfolio by 2050. Alongside products to facilitate the energy transition and promote sustainable mobility among our customers - such as the leasing of electric posts and removable photovoltaic systems or the rental of e-bike fleets - we further developed partnerships with Italian and European institutions to support innovative investments by SMEs. One example is the **agreement with the European Investment Bank (EIB) for the activation**

of financing for companies totalling 300 million Euro, aimed at promoting innovation initiatives within the “National Transition 4.0 Plan”.

The strong global transformations of our time make it increasingly clear that the social sphere must be considered of primary importance in the sustainability strategy of a Group like ours, confirming the distinctive approach we have been taking on these issues for years. This is why, through “Kaleidos”, the Social Impact Lab that develops high social impact projects in three areas - inclusion, culture and territory, and personal well-being - we have made investments in the three-year plan period of 7 million Euro, up from the 6 million Euro originally planned, with which we have implemented more than 40 projects. The support to the Bambino Gesù Children's Hospital in the search for innovative therapies to fight malignant tumours of the central nervous system and the support to the Banco Alimentare Onlus Foundation for the equivalent of 10 million meals continued in 2024, involving, in the latter case, also the Ifis People in the first corporate volunteering experience. Thanks to these projects, we were awarded the **prestigious accolade of best ESG programme in Europe in the Small-Mid Cap segment** by the independent research company Extel Institutional Investors. Also this year, MSCI further recognised our sustainability positioning, **upgrading our ESG rating to 'AA'**, placing us among the industry leaders.

With regard to the topics of diversity, equity and inclusion, our commitment in this regard, certified according to the UNI PdR 125:2022 standard, has now led us having a percentage of women in the workforce of more than 50% and a female-dominated Board of Directors. We have also formalised a policy to combat discrimination, violence and harassment in the workplace, setting concrete targets to be achieved by 2030. Alongside our commitment to the Ifis People, we continued to support **initiatives for social inclusion in the areas where we operate**, thanks to our collaboration with, among others, the CAF and YOLK associations, which work with disadvantaged young people in Milan and Rome, the Don Gino Rigoldi Foundation, which supports families in socio-economic difficulty, and Articolo 3, operating in Bollate prison.

Support for medical-scientific research was further strengthened with the renewal of the commitment to the aforementioned Bambino Gesù Children's Hospital and the Veneto Institute of Molecular Medicine (VIMM) for the purchase of two important diagnostic and research instruments (a PET-CT scanner and a Lightsheet microscope), which will make the activities of the two organisations even more effective. Finally, we ensured the continuation of the activities of the Heal Foundation and its “Taxi solidale” project, which ensures adequate transportation for young patients undergoing treatment at facilities in Rome and Milan.

Firmly believing that the promotion of the cultural ecosystem is a fundamental element in supporting the Italian territory, we have **further developed the 'Economy of Beauty' and 'Observatory on the Italian Sport System' projects**, which tell the story of the value of companies that make beauty their distinctive element and the contribution of the Italian sport system to the country. Precisely in this last area, in 2024 we again supported young CONI medallist athletes with the disbursement of 160 thousand Euro in scholarships and stood by the Ravano Tournament, Europe's most important school youth sports event.

Our **proprietary impact measurement model, developed in collaboration with the Polytechnic University of Milan, allows us to orient Kaleidos's actions towards increasingly distinctive and valuable projects with objective criteria**, quantifying the impact on communities generated by social activities. The results of the measurement showed that, on average, **every Euro invested by Banca Ifis in sustainability initiatives generated more than five Euro of economic value for the community**.

Also this year, we announced that we wanted to strengthen our commitment to the world of art, through Ifis art, a project I conceived and strongly desired, which brings together all the initiatives carried out by the Bank to promote art, culture, contemporary creativity and related values: from the corporate collection to the International Sculpture Park, to the project to recover Banksy's work in Venice and restore the Palazzo San Pantalon that houses it.

With the aim of increasingly integrating the Group's social agenda into our way of banking in the Npl Segment as well, we launched an **ambitious project** in 2024 **to strengthen the concept of 'social banking' and financial re-inclusion in debt collection activities**, with the definition of initiatives aimed at ensuring a sustainable approach that offers customers the chance of 'financial rehabilitation'.

All these initiatives allowed us to demonstrate in a concrete and tangible way, even during this financial year, our desire to generate a positive economic, social and environmental impact, pursuing the double bottom line approach that is the hallmark of our Bank.

Ernesto Fürstenberg Fassio, Chairman of Banca Ifis S.p.A.

Letter from the CEO to Shareholders

Frederik Geertman
CEO of Banca Ifis S.p.A.

Dear Shareholders,

2024 was a good year for Banca Ifis, which reported **profits rising to 162 million Euro and increasing revenues driven by the strength of its business model**. In particular, Commercial & Corporate Banking revenues benefited from our **ability to innovate our offering and the dynamism of the sales network**. These elements enabled business growth and more than offset the lower demand for credit recorded by Italian companies, also due to higher interest rate levels than in the past.

On the Npl front, on the other hand, revenues grew thanks to our historical recovery capacity on acquired portfolios, which benefited above all from our **social approach to the business and oriented towards dialogue with debtors**, favouring settlement agreements.

The Bank's historical policy of **prudent risk management** continued, as witnessed by the gross and net Npe ratios, which improved to 5,4% and 2,9% respectively, with an average coverage ratio of 48% (73% for Npls and 45% for UTPs).

The Bank's growth was achieved by further strengthening its capital ratios. Both the CET1 Ratio, at 16,10%, and the Total Capital Ratio, at 18,11%, were **up from 2023 and well above the standards required by the Regulator**. The strong capital position also allowed us to distribute total dividends of 111,5 million Euro, or 2,12 Euro per share, which is around 40% above the Business Plan targets.

Financial growth was driven by a strong acceleration on the industrial front. We **completed the digital transformation path we had planned** - a pillar of the D.O.E.S. Business Plan - continuing with the digitisation process: from acquisition, to evaluation, to contracting, to after-sales, all stages of the relationship with the SME have been digitised through the various platforms, including "myIfis" and “Next”. In order to strengthen our digital infrastructure, for which we developed over 100 projects during the plan period, we have continued our research and investigation process, also at international level, technological solutions to be more efficient and competitive. We continued our **product innovation, with the development of solutions aimed at supporting the sustainable transition of SMEs**, such as leasing in the automotive, electric mobility and sustainable energy sectors.

Equally important are the results achieved in the area of sustainability: the Bank completed the commitments defined in the sustainable transition defined in the plan and followed up on the numerous regulatory changes that have accompanied 2024 (such as the entry into force of the Corporate Sustainability Reporting Directive). With regard to the environment, we **continued our commitment to reducing direct and indirect greenhouse gas**

emissions from our lending activities, as duly reported in the Group's Sustainability Statement and TCFD report, now at its second edition. Socially, at the instigation of the Chair, we continued to support initiatives of value to the region and the Ifis People. This commitment is now recognised by all stakeholders and has been confirmed as a distinctive element of our way of doing things.

Building on this solid foundation, we are ready to **look forward with confidence to the challenges of the market in a 2025** that will see us continuing our short- and long-term development path.

Frederik Geertman, Chief Executive Officer of Banca Ifis S.p.A.

2024 Consolidated Financial Statements and Report

Banca Ifis

2024 Annual Report

Directors' Report on the Group

Banca Ifis

General aspects

The "2024 Consolidated Financial Statements and Report" includes the Consolidated Financial Statements, the related Notes to the Consolidated Financial Statements and this Directors' Report on the Group.

The balance sheet and income statement, within this Directors' Report on the Group, are presented in reclassified form, according to management criteria, in order to provide timely information on the Group's general performance based on aggregated economic and financial data that are quick and easy to understand.

To allow a more immediate reading of the results, a condensed reclassified consolidated income statement is prepared within the Directors' Report on the Group. It should be noted that in relation to the acquisition of Revalea S.p.A. finalised on 31 October 2023 and its entry into the scope of consolidation (initially as a standalone company and thereafter as an incorporated company following the merger by incorporation of Revalea into Ifis Npl Investing in the course of 2024 with accounting and fiscal effect from 1 January 2024), the figures for the year and in particular the income statement figures may not be fully comparable with those 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.

For more details on this merger, refer to Part G "Business combinations" of the Notes to the Consolidated Financial Statements.

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 the “2024 Consolidated Financial Statements and Report”), also in compliance with the requirements of Consob Communication No. 6064293 of 28 July 2006.

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

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

The balance sheet components were aggregated without reclassification.

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

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

Highlights

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	505.016	857.533	(352.517)	(41,1)%
Financial assets measured at fair value through profit or loss	249.101	234.878	14.223	6,1%
Financial assets measured at fair value through other comprehensive income	701.830	749.176	(47.346)	(6,3)%
Receivables due from banks measured at amortised cost	703.763	637.567	66.196	10,4%
Receivables due from customers measured at amortised cost	10.810.018	10.622.134	187.884	1,8%
Total assets	**13.825.738**	**14.051.361**	**(225.623)**	**(1,6)%**
Payables due to banks	1.443.250	2.717.139	(1.273.889)	(46,9)%
Payables due to customers	7.001.763	5.814.624	1.187.139	20,4%
Debt securities issued	3.152.737	3.288.895	(136.158)	(4,1)%
Consolidated equity	**1.748.146**	**1.693.699**	**54.447**	**3,2%**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT HIGHLIGHTS (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**699.152**	**704.616**	**(5.464)**	**(0,8)%**
Net credit risk losses/reversals	(37.670)	(52.407)	14.737	(28,1)%
Net profit (loss) from financial activities	**661.482**	**652.209**	**9.273**	**1,4%**
Operating costs	**(406.916)**	**(394.648)**	**(12.268)**	**3,1%**
Charges related to the banking system	(8.136)	(11.193)	3.057	(27,3)%
Net allocations to provisions for risks and charges	(478)	(6.878)	6.400	(93,1)%
Non-recurring expenses and income	(610)	(2.919)	2.309	(79,1)%
Gain on disposals of investments	-	986	(986)	(100,0)%
Pre-tax profit (loss) for the period from continuing operations	**245.342**	**237.557**	**7.785**	**3,3%**
Income taxes for the year relating to current operations	(82.168)	(75.641)	(6.527)	8,6%
Profit (loss) for the year	**163.174**	**161.916**	**1.258**	**0,8%**
(Profit) loss for the year attributable to non-controlling interests	(1.596)	(1.806)	210	(11,6)%
Profit (loss) for the year attributable to the Parent company	**161.578**	**160.110**	**1.468**	**0,9%**

CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	31.12.2024	31.12.2023
Profit (loss) for the year	**163.174**	**161.916**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	(3.657)	(4.561)
Other comprehensive income, net of taxes, to be reclassified to profit or loss	3.102	19.815
Consolidated comprehensive income	**162.619**	**177.170**
Consolidated comprehensive income attributable to non-controlling interests	(1.597)	(1.806)
Consolidated comprehensive income attributable to the Parent company	**161.022**	**175.364**

Refer to the section "Group reclassified financial and income results" for comments on the dynamics in the balance sheet and income statement. As regards the dynamics in terms of overall profitability and cash flows, refer to Part D of the Notes to the Consolidated Financial Statements and the Consolidated Cash Flow Statement within the "Consolidated Financial Statements", respectively.

Group KPIs

GROUP EQUITY KPIs	2024	2023	CHANGE
CET1 ratio (1)	16,10%	14,87%	1,23%
Total Capital Ratio (1)	18,11%	17,44%	0,67%
Number of company shares (in thousands)	53.811	53.811	0,0%
Number of shares outstanding at year end (2) (in thousands)	52.572	52.468	0,2%
Price/book value per share	0,64	0,49	0,15
Dividend per share(3)	2,12	2,10	0,02

(1) CET1 and Total Capital include the profits accrued by the Banking Group at 31 December 2024, 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.

(2) Outstanding shares are net of treasury shares held in the portfolio.

(3) The figures for FY 2024 comprise the total of 1,20 Euro per share distributed as an interim dividend in November 2024 and 0,92 Euro per share as a proposal for a final dividend for the FY 2024 prepared by the Board of Directors of Banca Ifis.

GROUP ECONOMIC KPIs	2024	2023	CHANGE
ROE	9,4%	9,7%	(0,3)%
ROA	1,2%	1,1%	0,1%
Reclassified cost/income ratio	58,2%	56,0%	2,2%
Earnings per share (EPS)	3,08	3,05	0,03
Payout ratio	69,0%	68,9%	0,1%

Context

The international context and the Italian economy in 2024

In the final stretch of 2024, the expansion of global economic activity continued, albeit with uneven territorial trends and with the real driver being the US. Indeed, US economic activity continued to expand in the second and third quarters of 2024, at growth rates of 3% and 2,8% respectively, driven by household consumption. This pace of growth will, according to OECD estimates, lead to a US GDP growth of 2,8% for the year as a whole, by far the highest figure among advanced economies and not far off the 2,9% growth in 2023. The OECD forecast, as reported by the Bank of Italy in its January 2025 Economic Bulletin, shows us that the world economy as a whole is expected to expand by 3,2% in 2024.

Since August 2024, the cost of energy has again become a point of attention: the average of the TTF index values (the Title Transfer Facility is the main virtual reference market for gas exchange in Europe, and the monthly average is calculated on the basis of daily quotations referring to the month of supply) increased by 24,2%. The cause is the combination of two factors: the increase in demand with the start of the cold season and, from the end of December 2024, the interruption of Russian gas flows to Eastern Europe via Ukraine, a blockade brought about by the non-renewal of the transit agreement between the two countries. However, the prospective supply risk seems to be low, as the moderate increase in one-year futures contract prices would confirm.

Gas prices on the Amsterdam TTF market	
Month	**TTF Mathematical average of daily quotations referring to the month of delivery**
November 2024	0,431859
October 2024	0,386929
September 2024	0,410759
August 2024	0,347560
July 2024	0,368235
June 2024	0,339957
May 2024	0,310607
April 2024	0,287019
March 2024	0,274705
February 2024	0,319574
January 2024	0,385473

Source: Banca Ifis processing from A2A website.

In the first three quarters of 2024, the GDP produced by the Eurozone changed by +0,3%, +0,2% and +0,4% (source: Economic Bulletin of the Bank of Italy). In the third quarter, the highest growth is attributable to specific phenomena:

- strong expansion in Ireland but temporary as a result of multinationals' geographic allocation choices of intellectual property investments;
- high development in Spain;
- increase in France due to the benefit brought by the increased demand associated with the Olympic Games, confirming how major events can also have an important impact at the macro level, with a particularly relevant trend in sport: Banca Ifis's estimate (from the Observatory on the Italian Sport System) on Paris 2024 quantifies the economic benefit, both immediate and deferred, on the territory at 37 billion Euro.

In contrast to the aforementioned drivers, GDP stagnated substantially in Germany and Italy, and the Eurozone as a whole suffered from the negative contribution of foreign demand.

Estimation models point to only a modest increase in Eurozone GDP in Q4 2024, as industry would have remained weak consistent with the deterioration of business confidence in the autumn. In the closing months of 2024, the growth impulse provided by the services business, which had benefited from the good performance of the tourist season in the third quarter, also weakened. With regard to Eurozone manufacturing in particular, the volume dropped significantly, even falling below the levels recorded before the Covid-19 pandemic, due to the weakness of the German industry, which accounts for more than one third of Eurozone manufacturing and almost half of the capital goods sector. This downturn was also accentuated by the negative repercussions on other countries in the region. Three main causes contribute to the unfavourable development in Germany:

- the rise in energy costs hit German production harder due to its importance in the chemical sector, a production sector with strong sectoral interconnections;
- weak global demand for goods, fragmented trade and increased competition from Chinese manufacturers penalised German manufacturing companies due to Germany's greater trade openness;
- the difficulties in the automotive sector, which has been hit by both a widespread drop in demand and increasing competition from Chinese car manufacturers. Automotive investments were also slowed down by the uncertainty induced by a possible Chinese reaction to the duties set on Chinese electric cars.

On the demand side, the Eurozone saw a gradual weakening of consumption during 2024, while investment would continue to be affected by still restrictive financing conditions. According to projections by Eurosystem experts (from the ECB website: Macroeconomic projections for the Eurozone made by Eurosystem experts, December 2024) the Eurozone product was set to stop at a growth of +0,7% in 2024, a forecast quite in line with the +0,8% estimated by the OECD.

On 30 January 2025, the Governing Board of the ECB cut official interest rates again, for the fifth time since June 2024, as a result of reduced inflationary pressure and weak growth in the real economy.

The effects were felt immediately: on the one hand, the interest rates charged on deposit accounts marketed in Italy (see first table below) fell, between September 2023 (when the official rates peaked) and December 2024, by 54 basis points in the 6- and 24-month bonds and by 30 basis points for the 60-month bond on the other hand, the rates charged on new loan disbursements (see second table below) fell, between September 2023 and November 2024, by 75 basis points for non-financial companies, by 97 basis points for home purchase and by 37 basis points for consumer credit in the household segment.

Average deposit account rates by duration of restriction

Month	Restriction duration						
	6 m	12 m	18 m	24 m	36 m	48 m	60 m
Jun-24	2,76%	2,96%	3,15%	3,07%	3,21%	3,19%	3,14%
Jul-24	2,80%	3,07%	3,16%	3,14%	3,25%	3,09%	3,24%
Aug-24	2,66%	2,99%	3,16%	3,02%	3,14%	3,06%	3,07%
Sep-24	2,41%	2,78%	2,98%	2,81%	2,76%	2,79%	2,84%
Oct-24	2,43%	2,67%	2,91%	2,66%	2,74%	2,68%	2,62%
Nov-24	2,40%	2,65%	2,87%	2,59%	2,73%	2,76%	2,78%
Dec-24	2,23%	2,45%	2,69%	2,49%	2,58%	2,76%	2,68%

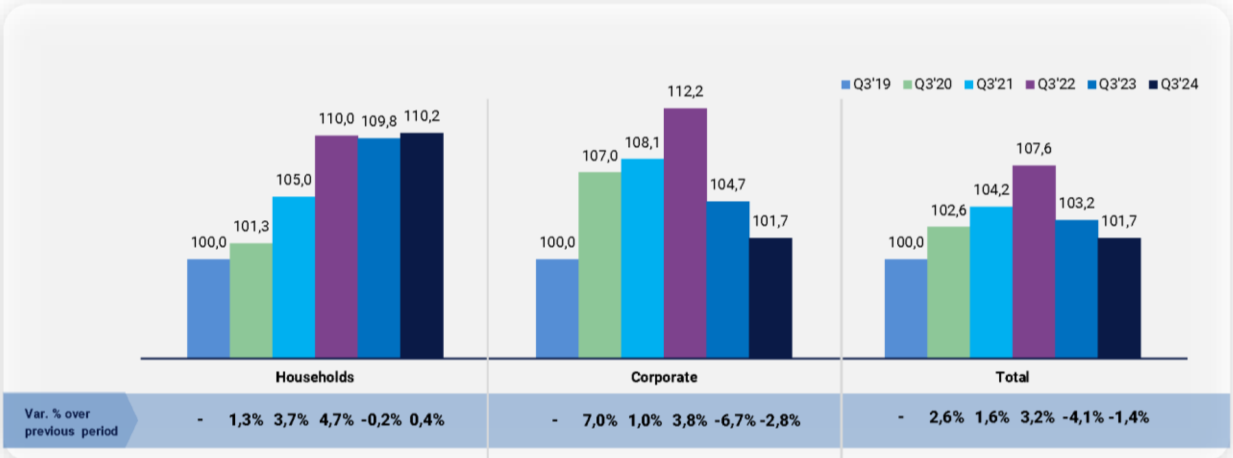
Source: Banca Ifis survey on Information Sheets published on websites.

Interest rates on new loan disbursements			
Observation date	Loans for house purchase to household segment (% of amount disbursed)	Consumer credit to household segment (% of amount disbursed)	Loans to non-financial companies (% of amount disbursed)
Jun-24	3,47%	8,55%	5,22%
Jul-24	3,40%	8,79%	5,29%
Aug-24	3,39%	8,80%	5,06%
Sep-24	3,22%	8,75%	4,83%
Oct-24	3,18%	8,70%	4,75%
Nov-24	3,14%	8,46%	4,60%

Source: Bank of Italy database - item MIR0600.

In 2024, lending dynamics remained weak overall: the change in the actual stock of loans to resident Italian customers (taking into account adjustments, disposals and securitisations to provide a consistent time trend) was a reduction of 1,4% between the third quarter of 2024 and the same period of 2023, while compared to the previous 24 months, it was a reduction of 5,5%. This was entirely attributable to corporate credit, which fell by 2,8% in the same period (down 9,4% compared to September 2022), while the household segment grew by 0,4%.

Stock of Italian resident-only loans adjusted for securitisations, other disposals, reclassifications, value adjustments and exchange rate changes - base 100 = q3 2019 - rolling percentage change over previous 12 months



Source: Banca Ifis internal analysis based on Bank of Italy data. Total loans include only transactions with resident customers, excluding Monetary Financial Institutions. The stock takes into account securitisations, other disposals, reclassifications, value adjustments and exchange rate changes.

These trends continue to reflect a modest demand for credit, probably conditioned by rates that remain at historically high levels (for non-financial companies, 4,60% of disbursements in November 2024 compares with 1,06% in January 2022) and a solid liquidity position of Italian companies.

In the European Union (EU), the implementation of recovery and resilience plans continues: as of 10 October 2024, 39 billion Euro in funding related to the National Recovery and Resilience Plans (NRRPs) has been disbursed, with total disbursements reaching 306 billion Euro.

Focusing on Italy, the product stagnated in Q3 2024, still held back by weakness in manufacturing against the slight expansion of services and construction. While the latter were affected by the freezing or reduction of tax concessions on residential property, they benefited from the activity resulting from public works financed through the NRRP. The signs of industrial production in the latter part of the year were positive (ISTAT Note on the Italian Economy, January 2025), which was on the rise. The most recent economic data (November 2024) shows that the index of industrial production marked the second consecutive increase (+0,3% compared to October). Growth affected all main industrial sectors, except capital goods (-0,6%). The latter is confirmed by the difficulties of the Italian leasing sector: Assilea's monitoring shows that the leasing and rental stipulated in 2024 decreased by 3,9% in value and 8,1% in number of contracts. The instrumental segment, in particular, reduced the amounts contracted by 9,5%, although a positive sign came from the number of contracts, which increased by 1,5%, demonstrating the strong focus on investment and innovation by SMEs despite a not entirely positive economic situation.

Foreign trade, on the other hand, negatively affected Italian GDP growth, due to the sharp contraction of exports of goods and services. In the first nine months of 2024, exports shrank by -0,7% compared to 2023, with the marked decrease in textiles and clothing (-4,7%) and automotive (-10,8%) in particular, while food and beverages and manufacturing activities other than textiles and fashion bucked the trend. The decline was entirely concentrated in the EU countries (-2,1% in the first 11 months of 2024), and more than offset the 0,8% increase in non-EU countries (despite the 3,6% decline to the USA and 21,1% to China). The latter is a positive sign of the Italian system's ability to diversify, which bodes well for the future.

As already indicated for the Eurozone, the Bank of Italy estimated that Italian product was to remain weak in the fourth quarter of 2024. The sluggishness in manufacturing continued, although subsiding, and was accompanied by a still tenuous investment dynamic and a dampening of the contribution of consumption after the previous quarter's jump. According to the most recent macroeconomic projections, GDP will grow by 0,5% in 2024 as a whole, compared to a relatively more optimistic OECD forecast (December 2024) of 0,8% growth.

Projections for 2025-2026

According to projections published in December by the OECD, world GDP will grow by 3,3% in 2025, in line with 2024. These forecasts are weighed down by the risks arising from heightened international tensions and the actual direction that US economic policy will take under the new administration. The US intention to introduce duties will affect world trade, such as the recent imposition of duties on Canada and Mexico, which were later suspended, and those on Chinese products. The effect of the announcement of these interventions could, however, have a paradoxical effect: if importers decide to anticipate some orders, world trade could increase.

Without taking into account assumptions on US policies, the Bank of Italy estimates world trade in goods and services to increase by 3,2% in 2025, a figure in line with product growth as well as the dynamics of 2024. The OECD in December 2024 published a broadly similar forecast, estimating GDP growth in 2025 of 3,3%.

The disinflation process continues in general and, in particular, the twelve-month consumer inflation figure for December 2024 marked:

- a slight increase in the US to 2,9% from 2,7% the previous month, although the underlying component fell;
- a decline to 2,5% in the UK;
- an increase to 2,9% in Japan, bucking the global trend.

The process of normalising monetary policy continues: at its December 2024 meeting, the Federal Reserve decided on a new cut in key interest rates by 25 basis points, and further cuts of 50 basis points are expected by December 2025, at a faster pace than anticipated in September 2024. More cautious are the approaches of the Bank of England and the Bank of Japan, which left rates unchanged in December 2024. Finally, the Central Bank of China confirmed an expansionary monetary stance aimed at supporting economic growth in a context of weak domestic demand. This is in addition to the new action plan for 2025 aimed at supporting domestic consumption.

In the Bank of Italy forecast, Eurozone product will expand by 1,1% in 2025, which compares with +1,3% in the OECD forecast of December 2024, +1,4% in 2026 and +1,3% in 2027. These forecasts were revised downwards due to expectations of a subdued recovery in household spending and exports.

In the same geographical area, consumer inflation increased to 2,4% in December 2024, according to preliminary estimates, from 2,2% in November 2024, due to the dynamics of the energy component, which turned slightly positive.

Core inflation, measured excluding food and energy goods, remained stable at 2,7%, while services inflation remained high at 4%, supported by items whose prices adjust later than the general index (e.g. house rents and health services). At the same time, the trend decline, which started in spring 2023, in the producer prices of goods sold on the domestic market continued, mainly due to the continued sharp reduction in those of energy goods. According to December projections by Eurosystem experts, price growth will be 2,1% in 2025, 1,9% in 2026 and 2,1% in 2027. The budgetary policy of EU countries will be restrictive, albeit moderately, but without affecting public investment, which is expected to continue growing in 2025 in almost all Member States.

The Bank of Italy's most recent projections foresee an acceleration of Italian GDP in the three-year period 2025-2027, however with growth rates limited to around 1% per year on average over the period (see table below) and declining in the two-year period 2025-2026 compared to the estimates made in October 2024. Growth is expected to regain momentum in the second half of 2025 due to the expected growth in consumption and exports, which will benefit from the recovery of disposable income and international trade. Investment will slow down further due to the effects of the downsizing of housing incentives, which the NRRP will not be able to offset. Compared to the projections published in October 2024, GDP growth is revised downwards over the 2025-2026 horizon due to less favourable than expected foreign demand data and slightly higher interest rates.

GDP growth over the previous period: forecasts by the Bank of Italy and other organisations

Organisation/date	2024	2025	2026
Bank of Italy/December	0,5%	0,8%	1,1%
European Commission/November	0,7%	1,0%	1,2%
OECD/December	0,5%	0,9%	1,2%
IMF/October	0,7%	0,8%	0,7%
Consensus Economics/December	0,5%	0,7%	0,9%

Source: Bank of Italy, Economic Bulletin No.1 2025.

Reference markets

Corporates

Business activity remained weak in Q4 2024, still held back by the performance of the manufacturing sector. Services continued to expand, albeit slightly, as did construction, thanks in part to the non-residential works related to the NRRP, which managed to offset the decline in activity on the residential side as a result of the loss of incentives (e.g. the “Superbonus”).

Italian companies report a progressive deterioration in production levels and orders, both in actual and expected figures. The less positive scenario mainly affects companies producing intermediate and capital goods, as a result of the slowdown in investments, as shown by Assilea data on the leasing market and the increase in company liquidity due to the lower absorption of resources. Marked reductions concerned the manufacture of transport equipment, reflecting the crisis in the sector, which in more general terms affects the entire Eurozone, indicated by the significant drop (-12,1%) in exports of 'transport equipment' in the first 11 months of 2024.

The lack of demand, both domestic and foreign, from our 'business-to-business' companies ("B2B") has a clear connection with the sluggishness of the manufacturing cycle in the Eurozone and, in particular, in Germany: the export trend to this country recorded, as a cumulative figure to November 2024, a decrease of 5,1% at the overall value level and a decrease of 5% on the item "products of manufacturing activities".

In contrast to the weakness of investments in 2024, the outlook is more positive: with the exception of industry, the balance between the share of companies expecting an expansion of nominal investment expenditure in 2025 and the share of companies indicating a reduction is positive. Sentiment is most favourable in construction, where more than half of the companies expect to benefit from NRRP-related measures.

The general PPI index (producer prices of industrial products sold on the domestic market) recorded a steady slowdown in producer prices, showing a decrease in terms of percentage change in every single month of 2024, continuing the decline that started in 2023 (-8,3% year-on-year), even considering that the index had increased by 42,8% in 2022. This leads to the expectation of less pressure on margins and increased competitiveness of our companies.

The quality of credit disbursed to businesses remained good, despite rising market rates, the cost of energy and the dreaded risk of default on state-guaranteed loans granted in the two-year pandemic to support liquidity. More specifically, in the third quarter of 2024, the rate of deterioration of corporate loans (source: Banca Ifis's Market Watch Npl processing based on Bank of Italy statistical data) remained more or less stable at 1,8% compared to the previous three months (1,74% in the second quarter of 2024), although moderately up compared to the rate of 1,3% in 2023. A detailed analysis of new corporate impaired flows returns a modest increase of 2,3 billion Euro compared to flows in 2023, mainly attributable to the services sector (accounting for 66% of the total). Taking a more detailed look, it is the trade and real estate sectors that influence the trend of the service sector.

Using the most recent macroeconomic forecasts, the Bank of Italy (Financial Stability Report, November 2024) indicates that the percentage of debt attributable to vulnerable companies (this grouping includes companies with negative EBITDA or a ratio of financial charges to EBITDA above 50%) is expected to fall to around 33% in 2025. This decline, which confirms the financial stability and self-financing capacity of Italian companies, would affect almost all sectors and different company size classes.

Consistently, from the 'Economic Survey of Industrial and Service Enterprises' (source: Bank of Italy, Report on Financial Stability, November 2024 edition) showed a lower absorption of internally generated financial resources compared to investments, with a consequent increase in liquidity in the second quarter of 2024, which accounted for 25,2% of GDP, a value about one percentage point higher than at the end of 2023 and almost four percentage points higher when compared to 2019. The same survey reflects the widespread sentiment among Italian entrepreneurs: the incidence of companies that consider their reserves to be low compared to the operational needs required for the latter part of 2024 remained substantially unchanged at low levels, even for smaller companies.

SMEs, in particular, responded to the survey used for Banca Ifis's Market Watch SMEs (2024 edition) by stating for 8,5% that it has improved compared to the previous 12 months, for 77,4% that it will remain unchanged and only 14% that it will worsen, thus confirming their perception of financial soundness.

Italian SMEs were not only resilient on corporate finance but also dynamic in strengthening their market position. In actual fact, according to the findings of Banca Ifis's SME Market Watch, on the one hand, the penetration of companies that export has increased to over 45% in 2024, and on the other, the share of SMEs that state that they already invest or will invest (within the next year) in sustainability has increased by 4 percentage points to 60,4%. Confirming that sustainability is not just reputation, in 2024 Italian SMEs implemented increasingly stringent supplier selection policies: the percentage of companies working exclusively with suppliers that adopt sustainability policies rose from 16,4% in the previous 12 months to 20,3%.

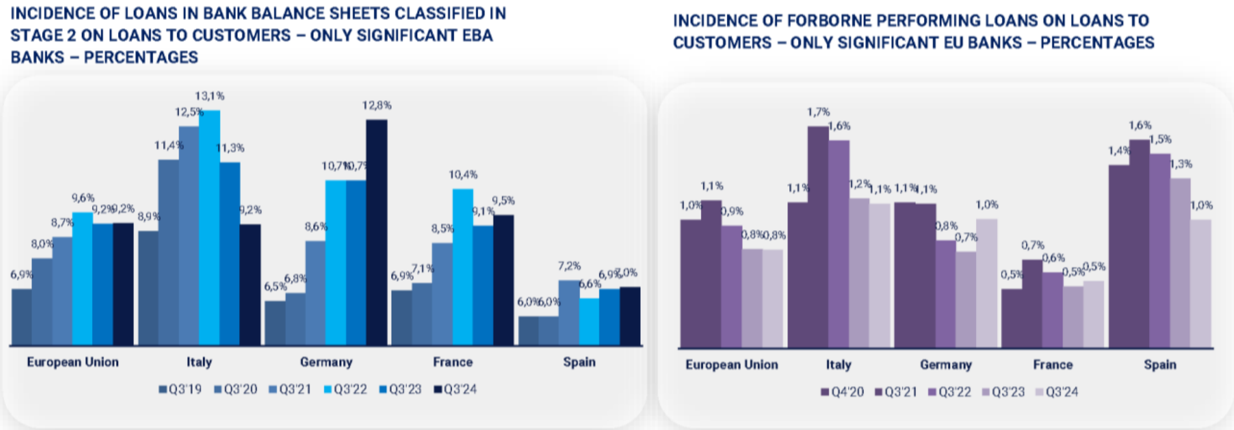
Italian companies are also attractive: almost 1.400 business combinations were finalised in Italy in 2024 (source: Mergermarket), 35% of which had foreign buyers, led by the US, Germany and the UK.

The above-mentioned 'Business Cycle Survey of Industrial and Service Enterprises' also shows a decrease in the share of industrial enterprises expecting to close the year in profit, especially among those with a higher share of exports in turnover. Analysts' expectations for 2025 point to a decline in the earnings of listed companies, compared to those expected by the end of 2024, particularly intense in the sectors most sensitive to the business cycle, i.e. consumer discretionary goods and energy. These evaluations tell us how crucial 'technology' and 'product' will be to meet the challenge of profitability, leveraging efficiency and market positioning, especially internationally.

Non-performing loans (Npls)

The analysis of the Italian impaired credit sector requires, first of all, to contextualise the trends from a European perspective. In the third quarter of 2024, the Npe ratio (ratio of non-performing loans to stock of loans) of EU area significant banks is essentially unchanged compared with the previous quarter (1,88% vs 1,86% in the second quarter of 2024). However, compared to the start of 2023, both the stock of Npes (+19 billion Euro in absolute terms) and the Npe ratio (from 1,75% to 1,88%) are on the rise, interrupting a decline that had lasted continuously since 2015 (Banca Ifis Npl Market Watch, February 2025). The increase in non-performing loans is mainly concentrated in German (+10,2 billion Euro) and French (+9,5 billion Euro) banks. Significant Italian banks show, in contrast, a reduction (-5,6 billion Euro).

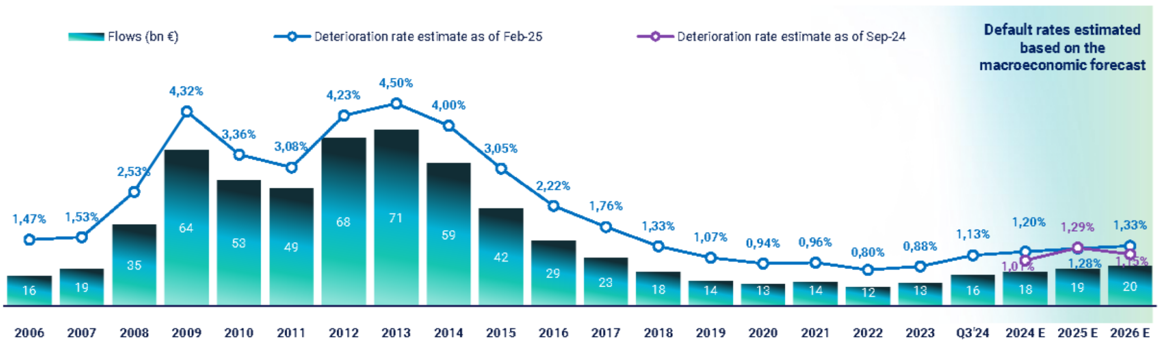
Stage 2 and forborne performing loans in EU significant banks



Source: Banca Ifis Research Department elaborations on EBA "Risk Dashboard" report, ECB supervisory banking statistics.

At the same time, German banks significantly increased the proportion of Stage 2 loans (see image above), showing a worsening of the prospective risk profile. This is therefore an indication of increasing riskiness, which the trend of forborne performing loans seems to confirm: while the EU average is stable at 0,8%, the German figures show a growth to 1,0% Q3 2024 compared to 0,7% in the previous quarter. Instead the decline for Italy's significant banks was considerable, eliminating the gap with the EU average.

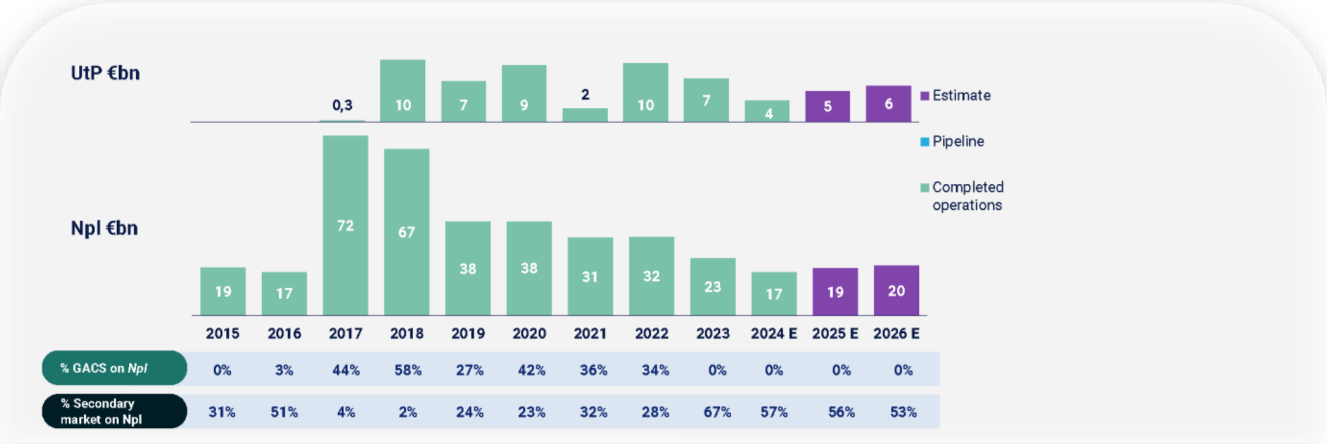
Annual flows of new defaulting loans and the loan default rate for residents only - data in billion Euro and %



Source: Banca Ifis internal analysis based on Bank of Italy data.

In Italy, the credit deterioration rate is estimated to remain at a historically low level (Banca Ifis Npl Market Watch, February 2025 edition). Compared to the September 2024 forecast, 7 billion Euro more new impaired are estimated in the three-year period 2024-2026, with a slightly higher rate in 2024 and 2026. The slight increase in the deterioration rate of bank loans, as just illustrated, is the result of a worsening in the corporate segment and to a lesser extent in the household segment. In particular, the current trend of impaired corporate flows is still limited (+2,3 billion Euro) and is mainly attributable to the services sector, which accounts for 66%, whose trend is mainly influenced by the increase in flows in the trade sector (48% of the increase in services) and real estate activities (23% incidence).

Npl transaction market trend - data in billion Euro at GBV (Gross Book Value) level and in %



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 E	2025 E	2026 E
UtP €bn			0,3	10	7	9	2	10	7	4	5	6
Npl €bn	19	17	72	67	38	38	31	32	23	17	19	20
% GACS on Npl	0%	3%	44%	58%	27%	42%	36%	34%	0%	0%	0%	0%
% Secondary market on Npl	31%	51%	4%	2%	24%	23%	32%	28%	67%	57%	56%	53%

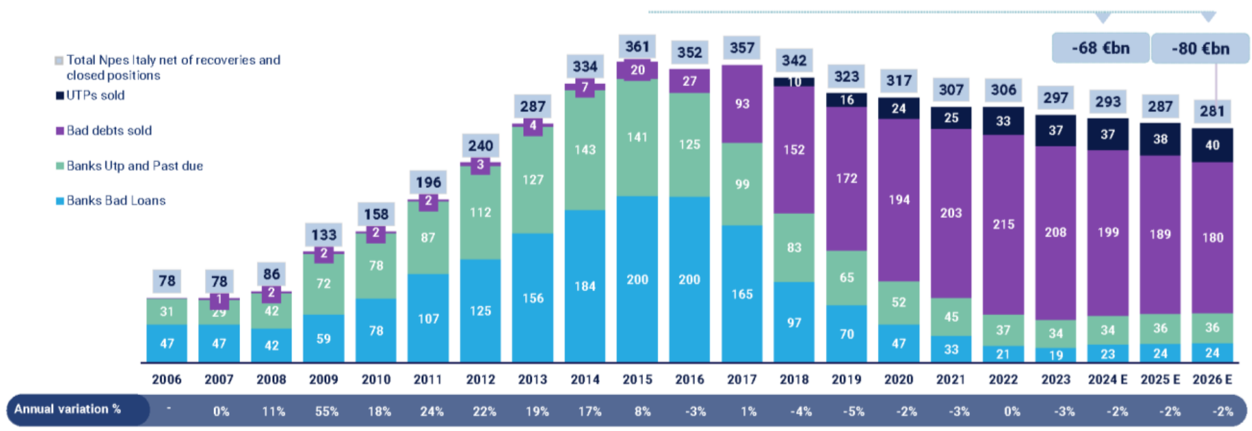
Source: Banca Ifis Npl Market Database - News and press releases - Banca Ifis internal analysis.

The GBV (Gross Book Value) of Npl portfolio transactions in 2024 was 21 billion Euro. Npl volumes (17 billion Euro) saw a significant weight of the secondary market (57%). The 2025-2026 forecast sees more than 50% of the secondary market. The market will remain active and for the two-year period 2025-2026, Npl transacted volumes are estimated at around 19-20 billion Euro per year and around 5-6 billion Euro for probable defaults (UTP) alone, which will allow banks' Npe ratio to remain around 3%.

The historical analysis of Npe transactions allows us to identify 3 phases:

- 2017-2018: intense de-risking on the entire banking system;
- 2019-2022: pursuit of the banks' 5% Npe ratio target, as indicated by the EBA;
- 2023 onwards: maintenance/reduction of low stock (Npe ratio of around 3%).

Estimated amount of total Npes in Italy (residents and non-residents in bank financial statements + portfolios sold net of collections and positions closed) – figures in billion Euro



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 E	2025 E	2026 E
Total	78	78	86	133	158	196	240	287	334	361	352	357	342	323	317	307	306	297	293	287	281
UTPs sold													10	16	24	25	33	37	37	38	40
Bad debts sold		1	2	2	2	2	3	4	7	20	27	93	152	172	194	203	215	208	199	189	180
Banks Utp and Past due	31	29	42	72	78	87	112	127	143	141	125	99	83	65	52	45	37	34	34	36	36
Banks Bad Loans	47	47	42	59	78	107	125	156	184	200	200	165	97	70	47	33	21	19	23	24	24
Annual variation %	-	0%	11%	55%	18%	24%	22%	19%	17%	8%	-3%	1%	-4%	-5%	-2%	-3%	0%	-3%	-2%	-2%	-2%

Source: Banca Ifis Research Department internal estimates from Banca Ifis's Npl Market Database, the Bank of Italy, Unirec and servicer budgets.

The stock of Npes in Italy declined by around 68 billion Euro from 2015 to 2024, with a reduction that is estimated to become as much as 80 billion Euro in 2026, representing a 22% system-wide decline due to collections that resulted in the reduction or closure of debt positions, confirming the role played by specialised management.

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 31.12.2024	143.933	*975*	-	*142.958*	36.293	56.806	**237.032**
Amounts at 31.12.2023	107.169	*975*	-	*106.194*	41.735	73.078	**221.982**
% Change	34,3%	*0,0%*	-	*34,6%*	(13,0)%	(22,3)%	**6,8%**
Financial assets measured at fair value through other comprehensive income							
Amounts at 31.12.2024	993	-	-	*993*	-	700.837	**701.830**
Amounts at 31.12.2023	1.333	-	-	*1.333*	-	747.843	**749.176**
% Change	(25,5)%	-	-	*(25,5)%*	-	(6,3)%	**(6,3)%**
Receivables due from customers (1)							
Amounts at 31.12.2024	6.985.624	*2.900.077*	*1.612.971*	*2.472.576*	1.521.001	2.303.393	**10.810.018**
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	3,3%	*1,9%*	*3,9%*	*4,5%*	(7,6)%	4,1%	**1,8%**
Goodwill							
Amounts at 31.12.2024	-	-	-	-	38.020	-	**38.020**
Amounts at 31.12.2023	-	-	-	-	38.020	-	**38.020**
% Change	-	-	-	-	0,0%	-	**0,0%**
Other assets							
Amounts at 31.12.2024	163.000	*163.000*	-	-	-	219.965	**382.965**
Amounts at 31.12.2023	208.748	*208.748*	-	-	-	235.944	**444.692**
% Change	(21,9)%	*(21,9)%*	-	-	-	(6,8)%	**(13,9)%**

(1) In the Governance & Services and Non-Core Segment, at 31 December 2024, there are government securities amounting to 1.579,0 million Euro (1.628,7 million Euro at 31 December 2023).

RECLASSIFIED INCOME STATEMENT DATA AT 31.12.2024 (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT	CONS. GROUP TOTAL
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*			
Net interest income	**238.795**	***114.552***	***50.530***	***73.713***	**280.300**	**13.410**	**532.505**
Net commission income	**96.175**	***63.979***	***10.786***	***21.410***	**(1.041)**	**(3.359)**	**91.775**
Other components of net banking income	16.454	*11*	-	*16.443*	16.957	41.461	**74.872**
of which: Gains (losses) on the disposal of financial assets	-	-	-	-	*16.068*	-	***16.068***
Net banking income	**351.424**	***178.542***	***61.316***	***111.566***	**296.216**	**51.512**	**699.152**
Net credit risk losses/reversals	(40.413)	*(6.763)*	*(4.508)*	*(29.142)*	52	2.691	**(37.670)**
Net profit (loss) from financial activities	**311.011**	***171.779***	***56.808***	***82.424***	**296.268**	**54.203**	**661.482**
Operating costs	**(164.065)**	***(89.547)***	***(34.000)***	***(40.518)***	**(199.185)**	**(43.666)**	**(406.916)**
Charges related to the banking system	-	-	-	-	-	(8.136)	**(8.136)**
Net allocations to provisions for risks and charges	(3.194)	*(8.905)*	*(344)*	*6.055*	2.227	489	**(478)**
Non-recurring expenses and income	-	-	-	-	(610)	-	**(610)**
Pre-tax profit (loss) for the period from continuing operations	**143.752**	***73.327***	***22.464***	***47.961***	**98.700**	**2.890**	**245.342**
Income taxes for the year relating to current operations	(48.144)	*(24.558)*	*(7.524)*	*(16.062)*	(33.056)	(968)	**(82.168)**
Profit (loss) for the year	**95.608**	***48.769***	***14.940***	***31.899***	**65.644**	**1.922**	**163.174**
(Profit) loss for the year attributable to non-controlling interests	-	-	-	-	-	(1.596)	**(1.596)**
Profit (loss) for the year attributable to the Parent company	**95.608**	***48.769***	***14.940***	***31.899***	**65.644**	**326**	**161.578**

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 31.12.2024	0,61%	*0,26%*	*0,29%*	*1,20%*	n.a.	**(0,41)%**
Amounts at 31.12.2023	0,95%	*1,13%*	*0,29%*	*1,18%*	n.a.	**(1,46)%**
% Change	(0,34)%	*(0,87)%*	*0,00%*	*0,02%*	n.a.	**1,05%**
Net bad loans/Receivables due from customers						
Amounts at 31.12.2024	0,4%	*0,4%*	*0,0%*	*0,7%*	77,9%	**0,2%**
Amounts at 31.12.2023	0,3%	*0,4%*	*0,0%*	*0,3%*	77,6%	**0,3%**
% Change	0,1%	*0,0%*	*0,0%*	*0,4%*	0,3%	**(0,1)%**
Coverage ratio on gross bad loans						
Amounts at 31.12.2024	74,0%	*83,3%*	*94,2%*	*47,2%*	0,0%	**53,1%**
Amounts at 31.12.2023	80,7%	*85,6%*	*93,5%*	*50,4%*	0,0%	**53,8%**
% Change	(6,7)%	*(2,3)%*	*0,7%*	*(3,2)%*	0,0%	**(0,7)%**
Net non-performing exposures/Net receivables due from customers						
Amounts at 31.12.2024	2,8%	*2,7%*	*0,8%*	*4,1%*	98,4%	**1,3%**
Amounts at 31.12.2023	3,1%	*4,5%*	*0,7%*	*3,1%*	98,2%	**1,2%**
% Change	(0,3)%	*(1,8)%*	*0,1%*	*1,0%*	0,2%	**0,1%**
Gross non-performing exposures/Gross receivables due from customers						
Amounts at 31.12.2024	5,3%	*5,9%*	*2,2%*	*6,6%*	98,4%	**2,0%**
Amounts at 31.12.2023	5,3%	*7,6%*	*1,9%*	*4,8%*	98,2%	**2,0%**
% Change	0,0%	*(1,7)%*	*0,3%*	*1,8%*	0,2%	**0,0%**
RWA [3]						
Amounts at 31.12.2024	5.769.725	*2.729.714*	*1.200.451*	*1.839.560*	1.733.692	**1.171.961**
Amounts at 31.12.2023	5.813.454	*2.737.066*	*1.344.965*	*1.731.423*	1.898.366	**1.537.717**
% Change	(0,8)%	*(0,3)%*	*(10,7)%*	*6,2%*	(8,7)%	**(23,8)%**

(1) In the Governance & Services and Non-Core Segment, at 31 December 2024, there are government securities amounting to 1.579,0 million Euro (1.628,7 million Euro at 31 December 2023).

(2) This indicator is calculated comparing the value of net credit risk losses/reversals over the annual 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	**128.106**	**117.036**	**146.605**	**140.758**	**156.691**	**134.820**	**135.247**	**139.439**
Net commission income	**22.209**	**22.657**	**23.835**	**23.074**	**23.922**	**24.002**	**26.970**	**23.327**
Other components of net banking income	17.001	17.629	18.836	21.406	11.646	5.029	10.464	13.059
Net banking income	**167.316**	**157.322**	**189.276**	**185.238**	**192.259**	**163.851**	**172.681**	**175.825**
Net credit risk losses/reversals	(8.795)	(13.034)	(7.252)	(8.589)	(21.537)	(14.532)	(6.367)	(9.971)
Net profit (loss) from financial activities	**158.521**	**144.288**	**182.024**	**176.649**	**170.722**	**149.319**	**166.314**	**165.854**
Personnel expenses	(42.617)	(40.622)	(43.217)	(43.396)	(43.336)	(40.021)	(40.737)	(39.708)
Other administrative expenses	(69.975)	(53.376)	(62.246)	(61.941)	(71.244)	(51.806)	(61.337)	(53.822)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(6.257)	(6.199)	(5.646)	(5.174)	(4.682)	(4.472)	(4.350)	(4.202)
Other operating income/expenses	11.597	6.629	7.133	8.391	7.709	4.894	5.824	6.642
Operating costs	**(107.252)**	**(93.568)**	**(103.976)**	**(102.120)**	**(111.553)**	**(91.405)**	**(100.600)**	**(91.090)**
Charges related to the banking system	(15)	(25)	(8.087)	(9)	(861)	(6.242)	1.760	(5.850)
Net allocations to provisions for risks and charges	87	141	1.443	(2.149)	(6.383)	31	(8)	(518)
Non-recurring expenses and income	(54)	(236)	(280)	(40)	(1.599)	(1.320)	-	-
Gains (losses) on disposal of investments	-	-	-	-	986	-	-	-
Pre-tax profit (loss) for the period from continuing operations	**51.287**	**50.600**	**71.124**	**72.331**	**51.312**	**50.383**	**67.466**	**68.396**
Income taxes for the period relating to continuing operations	(15.898)	(17.280)	(24.289)	(24.701)	(15.521)	(16.264)	(21.778)	(22.078)
Profit (loss) for the period	**35.389**	**33.320**	**46.835**	**47.630**	**35.791**	**34.119**	**45.688**	**46.318**
(Profit) loss for the period attributable to non-controlling interests	(379)	(366)	(397)	(454)	(422)	(414)	(566)	(404)
Profit (loss) for the period attributable to the Parent Company	**35.010**	**32.954**	**46.438**	**47.176**	**35.369**	**33.705**	**45.122**	**45.914**

APM - Alternative Performance Measures

The Banca Ifis Group has defined a number of indicators, listed in the tables of the Group's KPIs, that provide Alternative Performance Measures (APMs) to help investors identify significant operational trends and financial ratios. In identifying these APMs, the specific indications were taken into account on how to represent the APMs published by ESMA on 1 April 2022 (document called "ESMA32-51-370 Questions and answers – ESMA Guidelines on Alternative Performance Measures").

Furthermore, the statement issued by ESMA on 24 October 2024 entitled 'European common enforcement priorities for 2023 annual financial reports', with specific reference to HIIs, emphasises that in the case of cash flow or net financial indebtedness indicators, issuers are required to provide their reconciliations to the most directly related balance sheet items (individual items, subtotals or totals).

For a proper understanding of these APMs, please consider the following:

- these measures are based exclusively on the Group's historical data and are not indicative of the Group's future performance;
- APMs are non-IFRS measures and, although they are derived from the Group's Consolidated Financial Statements, they are not audited;
- APMs are not intended as a substitute for IFRS measures;
- said APMs shall be considered in conjunction with the Group's financial information derived from its Consolidated Financial Statements;
- since these are non-IFRS measures, the definitions of the measures used by the Group may differ from, and therefore not be comparable to, those used by other companies/groups;
- the APMs used by the Group are consistent across all reporting periods for which the Group has disclosed financial information in these Consolidated Financial Statements.

In accordance with the guidelines issued by ESMA (ESMA/2015/1415), below is a detailed explanation of how these measures were calculated in order to facilitate their understanding.

ROE - Return on equity (in thousands of Euro)	YEAR	
	2024	2023
A. Profit (loss) for the year attributable to the Parent company	161.578	160.110
B. Average equity attributable to the Parent company	1.725.002	1.651.039
ROE (A/B)	**9,4%**	**9,7%**

The average equity attributable to the Parent company is calculated as a quarterly average of the point figures recorded for each quarter of the reference period.

ROA - Return on Assets (in thousands of Euro)	YEAR	
	2024	2023
A. Profit (loss) for the year attributable to the Parent company	161.578	160.110
B. Total assets	13.825.738	14.051.361
ROA (A/B)	**1,2%**	**1,1%**

Reclassified cost/income ratio (in thousands of Euro)	YEAR	
	2024	2023
A. Operating costs	406.916	394.648
B. Net banking income	699.152	704.616
Reclassified cost/income ratio (A/B)	**58,2%**	**56,0%**

Payout ratio (in thousands of Euro)	YEAR	
	2024	2023
A. Profit (loss) for the year attributable to the Parent company	161.578	160.110
B. Parent Company dividends (1)	111.450	110.240
Payout Ratio (B/A) (1)	**69,0%**	**68,9%**

(1) The figures for FY 2024 comprise the total of 1,20 Euro per share distributed as an interim dividend in November 2024 and 0,92 Euro per share as a proposal for a final dividend for the FY 2024 prepared by the Board of Directors of Banca Ifis.

The Parent Company's dividends are calculated as follows:

Parent Company dividends	YEAR	
	2024	2023
A. Unitary dividend Euro (1)	2,12	2,10
B. Number of shares outstanding (in thousands) (2)	52.571	52.495
Parent Company dividends (A x B) (1)	**111.450**	**110.240**

(1) The figures for FY 2024 comprise the total of 1,20 Euro per share distributed as an interim dividend in November 2024 and 0,92 Euro per share as a proposal for a final dividend for the FY 2024 prepared by the Board of Directors of Banca Ifis.
(2) Outstanding shares are net of treasury shares held in the portfolio. This figure is calculated as the weighted average of the No. of shares outstanding at the ex-dividend date and the number of shares outstanding at the ex-dividend date, using the relevant dividend per share as a weighting factor. The 2024 figure takes the value as of 31 December 2024 as the number of shares outstanding on the ex-dividend date.

Contribution of operating Segments to Group results

In accordance with standard IFRS 8, a company must provide information that allows users of the financial statements to assess the nature and effects on such of the balance of the business it pursues and the economic contexts in which it operates. The contribution therefore needs to be highlighted as made by the various operating Segments to forming the Group’s economic 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 the former Revalea S.p.A., a company acquired in the fourth quarter of 2023 and thereafter merged by incorporation into Ifis Npl Investing S.p.A. in 2024 (for further details, refer to "Part G - Business combinations” of the Notes to the Consolidated Financial Statements);
- Governance & Services and Non-Core Segment, which provides the segments operating in the Group's core businesses with the financial resources and services necessary to perform their respective activities. The Segment includes treasury and proprietary securities desk activities, as well as some corporate loans portfolio assigned for run-off insofar as held to be non-strategic to the Group's growth.

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

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

Commercial & Corporate Banking Segment

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

- Factoring: Area dedicated to supporting the trade credit of SMEs operating on the domestic market, which develop towards export, or which from export, turn to Italian customers; it 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 segment dedicated to supporting companies and private equity funds in structuring financing, both bilateral and pooled;
  - Equity Investments, a segment dedicated to investments in non-financial companies and in units of intermediaries;
  - Lending, a segment 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 December 2024.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**238.795**	**232.171**	**6.624**	**2,9%**
Net commission income	**96.175**	**96.798**	**(623)**	**(0,6)%**
Other components of net banking income	16.454	15.670	784	5,0%
Net banking income	**351.424**	**344.639**	**6.785**	**2,0%**
Net credit risk losses/reversals	(40.413)	(60.716)	20.303	(33,4)%
Net profit (loss) from financial activities	**311.011**	**283.923**	**27.088**	**9,5%**
Operating costs	**(164.065)**	**(163.890)**	**(175)**	**0,1%**
Net allocations to provisions for risks and charges	(3.194)	(4.501)	1.307	(29,0)%
Pre-tax profit (loss) for the period from continuing operations	**143.752**	**115.532**	**28.220**	**24,4%**
Income taxes for the year relating to current operations	(48.144)	(36.787)	(11.357)	30,9%
Profit (loss) for the year	**95.608**	**78.745**	**16.863**	**21,4%**

Net income of the Commercial & Corporate Banking Segment comes to 95,6 million Euro, up 16,9 million Euro compared to 31 December 2023, mainly due to the increase in net banking income and the reduction of net value adjustments for 20,3 million Euro (-33,4%), as detailed below based on the contribution of the individual Business Areas.

The Segment's net banking income comes to 351,4 million Euro, up 6,8 million Euro compared to the previous year, thanks to the positive performance of the Factoring Area (+5,2 million Euro) and the Corporate Banking & Lending Area (+2,3 million Euro). On the whole, with respect to the substantial stability of net commission income, net interest income rose by 6,6 million Euro (+2,9%) and in other components of net banking income by 0,8 million Euro (+5,0%).

Operating costs amount to 164,1 million Euro as at 31 December 2024 and were essentially stable compared to the previous year.

Net allocations to provisions for risks and charges amount to 3,2 million Euro as at 31 December 2024, a decrease compared to 4,5 million Euro at the end of 2023. The decrease of 1,3 million Euro is mainly attributable to releases for the successful settlement of existing disputes, the effect of which more than offset provisions made during the year to cover risks related to outstanding disputes over tax credits for Super Ecobonus and other building tax bonuses.

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 31.12.2024						
Nominal amount	118.745	208.606	57.286	**384.637**	6.860.428	**7.245.065**
Losses	(87.825)	(97.986)	(5.012)	**(190.823)**	(68.618)	**(259.441)**
Carrying amount	30.920	110.620	52.274	**193.814**	6.791.810	**6.985.624**
Coverage ratio	*74,0%*	*47,0%*	*8,7%*	***49,6%***	*1,0%*	***3,6%***
Gross ratio	*1,6%*	*2,9%*	*0,8%*	***5,3%***	*94,7%*	***100,0%***
Net ratio	*0,4%*	*1,6%*	*0,7%*	***2,8%***	*97,2%*	***100,0%***
POSITION AT 31.12.2023						
Nominal amount	98.969	170.367	105.968	**375.304**	6.657.667	**7.032.971**
Losses	(79.915)	(76.670)	(5.849)	**(162.434)**	(107.070)	**(269.504)**
Carrying amount	19.054	93.698	100.118	**212.870**	6.550.597	**6.763.467**
Coverage ratio	*80,7%*	*45,0%*	*5,5%*	***43,3%***	*1,6%*	***3,8%***
Gross ratio	*1,4%*	*2,4%*	*1,5%*	***5,3%***	*94,7%*	***100,0%***
Net ratio	*0,3%*	*1,4%*	*1,5%*	***3,1%***	*96,9%*	***100,0%***

Net non-performing exposures in the Commercial & Corporate Banking Segment stand at 193,8 million Euro at 31 December 2024, down 19,1 million Euro on 31 December 2023 (212,9 million Euro). The trend is attributable to a significant decrease in non-performing past due exposures amounting to 47,8 million Euro (especially those in the Factoring Area), partially offset by increases in probable defaults and non-performing loans of 16,9 million Euro and 11,9 million Euro, respectively (especially in the Corporate Banking & Lending Area).

The coverage ratio of the impaired portfolio goes from 43,3% at 31 December 2023 to 49,6% at 31 December 2024, as a result of the increase in the incidence of unlikely to pay and non-performing loans on the Segment's total impaired portfolio.

The Commercial & Corporate Banking Segment includes loans that are mainly impaired (classified in the accounts as “POCI”), mainly referring to assets stemming from business combinations: the net value of these assets is 8,7 million Euro at 31 December 2024, as compared with the 12,3 million Euro recorded at 31 December 2023, of which 5,7 million Euro non-performing (8,5 million Euro at 31 December 2023).

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

KPIs	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Credit cost (1)	0,61%	0,95%	n.a.	(0,34)%
Net impaired assets/ Net receivables due from customers	2,8%	3,1%	n.a.	(0,3)%
Gross impaired assets/ Gross receivables due from customers	5,3%	5,3%	n.a.	0,0%
RWA (2)	5.769.725	5.813.454	(43.729)	(0,8)%

(1) This indicator is calculated comparing the value of net credit risk losses/reversals over the annual 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 year, 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)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**114.552**	**107.050**	**7.502**	**7,0%**
Net commission income	**63.979**	**67.360**	**(3.381)**	**(5,0)%**
Other components of net banking income	11	(1.096)	1.107	n.a.
Net banking income	**178.542**	**173.314**	**5.228**	**3,0%**
Net credit risk losses/reversals	(6.763)	(28.886)	22.123	(76,6)%
Net profit (loss) from financial activities	**171.779**	**144.428**	**27.351**	**18,9%**
Operating costs	**(89.547)**	**(93.234)**	**3.687**	**(4,0)%**
Net allocations to provisions for risks and charges	(8.905)	(2.751)	(6.154)	223,7%
Pre-tax profit (loss) for the period from continuing operations	**73.327**	**48.443**	**24.884**	**51,4%**
Income taxes for the year relating to current operations	(24.558)	(15.292)	(9.266)	60,6%
Profit (loss) for the year	**48.769**	**33.151**	**15.618**	**47,1%**

At 31 December 2024, the contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment comes to 178,5 million Euro, up 3,0% on last year's results. This result is due to the greater contribution of net interest income (up by 7,5 million Euro), while net commission income declines by 3,4 million Euro. Turnover for FY 2024 amounts to 12,3 billion Euro and the total amount of receivables to 3,5 billion Euro, and were down by 1,1 billion Euro and 0,3 billion Euro, respectively, compared to the corresponding figures of the previous year.

At 31 December 2024 net credit risk losses are recorded for the amount of 6,8 million Euro. This amount was influenced, among others, by the full use of prudential adjustments (management overlay) booked during previous year resulting from "expert-based" assessments following the actual classification among impaired exposures of specifically identified positions. In addition, management overlays set aside during previous years to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macroeconomic expectations, were utilised against the deteriorating dynamics of the underlying portfolio clusters.

Therefore, net profit from financial activities amounts to 171,8 million Euro (+18,9% on 31 December 2023).

The decrease in operating costs of 3,7 million Euro compared to 31 December 2023 is mainly due to higher income for recovery of expenses from the public administration in the amount of 4,1 million Euro. These benefits were partly offset by the higher personnel costs linked to the renewed Italian National Collective Bargaining Agreement (NCBA), as well as to the growth of costs related to the amortisation of intangible assets relating to investments in software functional to the digitalisation of customer relations and the related credit generation and management process.

Net allocations to provisions for risks and charges amount to 8,9 million Euro at 31 December 2024, an increase on the 2,8 million Euro at 31 December 2023. The increase of 6,2 million Euro is mainly attributable to the previously-mentioned provisions to cover risks related to outstanding disputes over tax credits for Super Ecobonus and other building tax bonuses.

As regards the main equity aspects, at 31 December 2024, total net commitments for the Area amount to 2.900,1 million Euro, up 1,9% on the figure at 31 December 2023, mainly due to the increase of performing exposures (+106,2 million Euro).

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 31.12.2024						
Nominal amount	74.911	72.638	31.948	**179.497**	2.838.617	**3.018.114**
Losses	(62.381)	(37.890)	(1.200)	**(101.471)**	(16.566)	**(118.037)**
Carrying amount	12.530	34.748	30.748	**78.026**	2.822.051	**2.900.077**
Coverage ratio	*83,3%*	*52,2%*	*3,8%*	***56,5%***	*0,6%*	***3,9%***
POSITION AT 31.12.2023						
Nominal amount	72.273	66.458	88.817	**227.548**	2.752.772	**2.980.320**
Losses	(61.890)	(34.170)	(2.503)	**(98.563)**	(36.953)	**(135.516)**
Carrying amount	10.383	32.288	86.314	**128.985**	2.715.819	**2.844.804**
Coverage ratio	*85,6%*	*51,4%*	*2,8%*	***43,3%***	*1,3%*	***4,5%***

The Area's total net non-performing exposures amount to 78,0 million Euro, down 39,5% from the 31 December 2023 figure, almost entirely due to the decline in past-due exposures. In overall terms, despite the decrease in net impaired exposures, the coverage of impaired exposures increases from 43,3% to 56,5%, due to the increase in the proportion of non-performing loans and unlikely to pay to total non-performing ans.

KPIs	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Credit cost (1)	0,26%	1,13%	n.a.	(0,87)%
Net impaired assets/ Net receivables due from customers	2,7%	4,5%	n.a.	(1,8)%
Gross impaired assets/ Gross receivables due from customers	5,9%	7,6%	n.a.	(1,7)%
RWA (2)	2.729.714	2.737.066	(7.352)	(0,3)%

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

The credit cost decreases from 1,13% at 31 December 2023 to 0,26% at 31 December 2024 as a result of the aforementioned dynamics in 2024.

It should be noted that net non-performing exposures include a total of 29,2 million Euro in respect of the NHS, a significant reduction compared to the figure of 72,2 million Euro at 31 December 2023 due to the return to performing status during the third quarter of 2024 of a singularly significant position previously classified as non-performing past due.

Leasing Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**50.530**	**50.985**	**(455)**	**(0,9)%**
Net commission income	**10.786**	**11.072**	**(286)**	**(2,6)%**
Net banking income	**61.316**	**62.057**	**(741)**	**(1,2)%**
Net credit risk losses/reversals	(4.508)	(4.329)	(179)	4,1%
Net profit (loss) from financial activities	**56.808**	**57.728**	**(920)**	**(1,6)%**
Operating costs	**(34.000)**	**(33.039)**	**(961)**	**2,9%**
Net allocations to provisions for risks and charges	(344)	(919)	575	(62,6)%
Pre-tax profit (loss) for the period from continuing operations	**22.464**	**23.770**	**(1.306)**	**(5,5)%**
Income taxes for the year relating to current operations	(7.524)	(7.569)	45	(0,6)%
Profit (loss) for the year	**14.940**	**16.201**	**(1.261)**	**(7,8)%**

Net banking income from the Leasing Area amounts to 61,3 million Euro, essentially in line with the figure at 31 December 2023 (-1,2%).

Net credit risk losses on receivables amount to 4,5 million Euro, essentially in line with the figure at 31 December 2023.

Operating costs total 34,0 million Euro, showing an increase of 1,0 million Euro compared with 31 December 2023. The increase was due to the combined effect of higher personnel expenses related to the renewed Italian National Collective Bargaining Agreement (NCBA) and the amortisation of new software to support the business, which was only partially offset by the reduction in other administrative expenses.

As at 31 December 2024, the Area's total net loans amount to 1.613,0 million Euro, an increase of 60,8 million Euro (+3,9%) compared to the figure as at 31 December 2023, mainly due to the increase in performing exposures (+58,2 million Euro).

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 31.12.2024						
Nominal amount	10.074	17.628	8.505	**36.207**	1.612.635	**1.648.842**
Losses	(9.494)	(11.222)	(2.180)	**(22.896)**	(12.975)	**(35.871)**
Carrying amount	580	6.406	6.325	**13.311**	1.599.660	**1.612.971**
Coverage ratio	*94,2%*	*63,7%*	*25,6%*	***63,2%***	*0,8%*	***2,2%***
POSITION AT 31.12.2023						
Nominal amount	10.597	12.865	7.314	**30.776**	1.559.223	**1.589.999**
Losses	(9.910)	(7.894)	(2.244)	**(20.048)**	(17.748)	**(37.796)**
Carrying amount	688	4.972	5.070	**10.730**	1.541.475	**1.552.205**
Coverage ratio	*93,5%*	*61,4%*	*30,7%*	***65,1%***	*1,1%*	***2,4%***

Net impaired exposures increase by 24,1% compared to December 2023. The coverage ratio of impaired assets decreases from 65,1% to 63,2%, due to the higher incidence within the Area's impaired portfolio of positions classified as past due and unlikely to pay, while that of performing exposures reduces from 1,1% to 0,8%.

KPIs	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Credit cost (1)	0,29%	0,29%	n.a.	0,0%
Net impaired assets/ Net receivables due from customers	0,8%	0,7%	n.a.	0,1%
Gross impaired assets/ Gross receivables due from customers	2,2%	1,9%	n.a.	0,3%
RWA (2)	1.200.451	1.344.965	(144.514)	(10,7)%

(1) This indicator is calculated comparing the value of net credit risk losses/reversals 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)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**73.713**	**74.136**	**(423)**	**(0,6)%**
Net commission income	**21.410**	**18.366**	**3.044**	**16,6%**
Other components of net banking income	16.443	16.766	(323)	(1,9)%
Net banking income	**111.566**	**109.268**	**2.298**	**2,1%**
Net credit risk losses/reversals	(29.142)	(27.501)	(1.641)	6,0%
Net profit (loss) from financial activities	**82.424**	**81.767**	**657**	**0,8%**
Operating costs	**(40.518)**	**(37.617)**	**(2.901)**	**7,7%**
Net allocations to provisions for risks and charges	6.055	(831)	6.886	n.a.
Pre-tax profit (loss) for the period from continuing operations	**47.961**	**43.319**	**4.642**	**10,7%**
Income taxes for the year relating to current operations	(16.062)	(13.926)	(2.136)	15,3%
Profit (loss) for the year	**31.899**	**29.393**	**2.506**	**8,5%**

Net banking income of the Corporate Banking & Lending Area comes to 111,6 million Euro at 31 December 2024, up 2,3 million Euro on 31 December 2023 (+2,1%). The positive change is a result of the combined effect of the following factors:

- essential stability in net interest income of 73,7 million Euro, due to the higher positive contribution of the Corporate Banking segment of 4,6 million Euro, which almost entirely offset the lower contribution of the Pharmacies business unit of 4,9 million Euro;
- higher net commission income of 3,0 million Euro (+16,6%), mainly from the Corporate Banking segment;
- substantial stability in the contribution of the other components of net banking income, amounting to 16,4 million Euro as at 31 December 2024, mainly represented by the fair value measurement of securities in the Corporate Banking segment.

Net credit risk losses amount to 29,1 million Euro, up 1,6 million Euro compared to 31 December 2023. This increase was due to higher provisions set aside in 2024 for the deterioration of credit quality on certain positions in the Lending unit.

The increase in operating costs of 2,9 million Euro compared to 31 December 2023 is due to the combined effect of higher personnel expenses related to the renewed National Collective Bargaining Agreement as well as higher ICT and interbank network expenses to support customer operations.

The net releases for provisions for risks and charges for the year, amounting to 6,0 million Euro, refer to the settlement of disputes arising from the acquisition of the former Aigis Banca business unit.

At 31 December 2024, the Area's total net receivables due from customers amounts to 2.472,6 million Euro, up 106,1 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 31.12.2024						
Nominal amount	33.760	118.340	16.833	**168.933**	2.409.176	**2.578.109**
Losses	(15.950)	(48.874)	(1.632)	**(66.456)**	(39.077)	**(105.533)**
Carrying amount	17.810	69.466	15.201	**102.477**	2.370.099	**2.472.576**
Coverage ratio	*47,2%*	*41,3%*	*9,7%*	***39,3%***	*1,6%*	***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 December 2024, 102,5 million Euro, shows an increase of 29,3 million Euro on the value at year-end 2023. The increase is mainly due to the increase in impaired assets in the Lending unit with the transfer of backed positions to impaired. The coverage of non-performing loans increased from 37,5% in December 2023 to 39,3% in December 2024 due to the higher incidence within the Area's impaired portfolio of positions classified as non-performing and likely to default.

KPIs	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Credit cost (1)	1,20%	1,18%	n.a.	0,02%
Net impaired assets/ Net receivables due from customers	4,1%	3,1%	n.a.	1,0%
Gross impaired assets/ Gross receivables due from customers	6,6%	4,8%	n.a.	1,8%
RWA (2)	1.839.560	1.731.423	108.137	6,2%

(1) This indicator is calculated comparing the value of net credit risk losses/reversals 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, also taking into account the contribution made by the former Revalea, interest income is included from the amortised cost for 185,1 million Euro and other components of the net interest income from cash flow changes for 130,5 million Euro, as reported in the summary table of "Economic 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	5.999.616	188.501	3,1%	35.284	482.803	
Cost	428.353	18.313	4,3%	-	-	Acquisition cost
Non-judicial	8.514.870	411.748	4,8%	89.130	690.552	
of which: Collective (curves)	*8.004.634*	*165.465*	*2,1%*	*(14.038)*	*273.651*	*Cost = NPV of flows from model*
of which: Plans	*510.236*	*246.283*	*48,3%*	*103.168*	*416.901*	*Cost = NPV of flows from model*
Judicial	6.663.090	888.859	13,3%	191.206	1.692.339	
of which: Other positions undergoing judicial processing	*1.700.609*	*123.536*	*7,3%*	*(19.726)*	*225.467*	*Acquisition cost*
of which: Writs, Property Attachments, Garnishment Orders	*2.163.668*	*641.313*	*29,6%*	*184.591*	*1.320.016*	*Cost = NPV of flows from model*
of which: Secured and Corporate	*2.798.813*	*124.010*	*4,4%*	*26.341*	*146.856*	*Cost = NPV of flows from model*
Total	**21.605.929**	**1.507.421**	**7,0%**	**315.620**	**2.865.694**	

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 (18,3 million Euro at 31 December 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 December 2024 come to 165,5 million Euro as compared with 216,7 million Euro at 31 December 2023 (down 23,7%). Practices on which a realignment plan has been agreed and formalised come in at 246,3 million Euro at 31 December 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 123,5 million Euro at 31 December 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 6%, coming in at 641,3 million Euro as compared with the 605,2 million Euro recorded in December 2023.

The judicial management basin include all “Secured and Corporate” positions of corporate banking origin or real estate, equal to 124 million Euro at 31 December 2024, down on the figure at 31 December 2023 (138,0 million Euro).

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

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**280.300**	**281.381**	**(1.081)**	**(0,4)%**
Net commission income	**(1.041)**	**3.483**	**(4.524)**	**n.a.**
Other components of net banking income	16.957	9.669	7.288	75,4%
- of which: Gains (losses) on the disposal of financial assets	*16.068*	*10.384*	*5.684*	*54,7%*
Net banking income	**296.216**	**294.533**	**1.683**	**0,6%**
Net credit risk losses/reversals	52	(103)	155	n.a.
Net profit (loss) from financial activities	**296.268**	**294.430**	**1.838**	**0,6%**
Operating costs	**(199.185)**	**(191.931)**	**(7.254)**	**3,8%**
Net allocations to provisions for risks and charges	2.227	147	2.080	n.s.
Non-recurring expenses and income	(610)	(2.919)	2.309	(79,1)%
Pre-tax profit (loss) for the period from continuing operations	**98.700**	**99.727**	**(1.027)**	**(1,0)%**
Income taxes for the year relating to current operations	(33.056)	(31.588)	(1.468)	4,6%
Profit (loss) for the year	**65.644**	**68.139**	**(2.495)**	**(3,7)%**

Net interest income, which amounts to 280,3 million Euro (essentially in line with the previous year’s figure), consists of:

- interest income from amortised cost, i.e. the interest accruing at the original effective rate, which increases from 170,4 million Euro at 31 December 2023 to 185,1 million Euro at 31 December 2024, due to an increase in the average value of underlying assets, which have completed the documentary check phase and have left the staging phase;
- interest income on notes and other minority components, which shows a balance of 6,8 million Euro at 31 December 2024, a rise on the 5,0 million Euro recorded in 2023;
- other components of net interest income from change in cash flow, which change from 131,1 million Euro of 31 December 2023 to 130,5 million Euro at 31 December 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 26,9 million Euro (49,9 million Euro at 31 December 2023), to which the repayment plans contribute 67,6 million Euro (down from the figure of 77,7 million Euro in 2023), partially offset by the negative effect of curve models of 40,7 million Euro (27,8 million Euro in the previous year). On the other hand, are legal expenses of 83,3 million Euro (81 million Euro at 31 December 2023), following actions for injunction, attachment and garnishment orders;
- interest expense of 42,1 million Euro, up 10,1 million Euro on the previous year’s balance.

Net commissions represent a cost of 1,0 million Euro at 31 December 2024, compared to revenues of 3,5 million Euro at 31 December 2023. This change is mainly attributable to commission expenses for the management of the former Revalea portfolio (portfolio now incorporated into Ifis Npl Investing following the merger of Revalea into Ifis Npl Investing) paid to a third-party servicer.

In 2024, disposals of Npl portfolios were realised, in line with the Group's policy, from which net gains on disposal amount to 16,1 million Euro, up 5,7 million Euro compared with 31 December 2023.

In view of the above, the Npl Segment's net banking income comes to a total of 296,2 million Euro, up 1,7 million Euro compared with 31 December 2023.

The Npl Segment's credit cost does not change significantly between 31 December 2024 and the previous year. The net releases for FY 2024 mainly relate to the change in the provision for impairment losses on securitisation securities with underlying non-performing loans.

Operating costs of 199,2 million Euro at 31 December 2024 are up 7,3 million Euro compared to 31 December 2023. This increase is due to the combined effect of higher personnel expenses related to both the renewed National Collective Bargaining Agreement and the increase in the workforce in the amount of 3,4 million Euro, as well as higher debt collection costs associated with Revalea (now merged into Ifis Npl Investing).

The item "Non-recurring expenses and income" shows a net negative balance as at 31 December 2024 of 610 thousand Euro and refers to non-recurring operating costs pertaining to FY 2024 connected to the acquisition of Revalea and its integration within the Banca Ifis Group, including those relating to its merger by incorporation into Ifis Npl Investing which took place in 2024 (for more details see "Part G - Business combinations" of the Notes to the Consolidated Financial Statements). The figure is significantly lower than the balance as of 31 December 2023, which amounted to 2,9 million Euro and included non-recurring operating costs directly or indirectly related to the acquisition of Revalea in the fourth quarter of 2023 totalling 11,5 million Euro, only partially offset by the "gain on bargain purchase" calculated in accordance with IFRS 3, amounting to 8,5 million Euro.

As a consequence of the foregoing, period profit of the Npl Segment is 65,6 million Euro, down 2,5 million Euro on 31 December 2023.

Below is the breakdown of net loans by credit quality.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Net bad loans	1.184.378	1.276.812	(92.434)	(7,2)%
Net unlikely to pay	308.540	335.773	(27.233)	(8,1)%
Net non-performing past due exposures	3.837	4.029	(192)	(4,8)%
Total net non-performing exposures to customers (stage 3)	**1.496.755**	**1.616.614**	**(119.859)**	**(7,4)%**
Total net performing exposures (stages 1 and 2)	24.246	29.544	(5.298)	(17,9)%
- of which: proprietary loans acquired	*10.666*	*12.601*	*(1.935)*	*(15,4)%*
- of which: loans disbursed	*533*	*13.929*	*(13.396)*	*(96,2)%*
- of which: debt securities	*11.602*	*1.848*	*9.754*	*527,8%*
- of which: receivables related to servicer activities	*1.445*	*1.166*	*279*	*23,9%*
Total on-balance-sheet receivables due from customers	**1.521.001**	**1.646.158**	**(125.157)**	**(7,6)%**
- of which: owned receivables acquired measured at amortised cost	***1.507.421***	***1.629.215***	***(121.794)***	***(7,5)%***

As regards the Npl Segment loans, 1.507,4 million Euro are represented by receivables classified as POCI - Purchased or originated credit-impaired -, the category envisaged by the accounting standard IFRS 9. These are loans that were non-performing at the date they were acquired or originated. These receivables represent the Segment's core business. Excluded from this classification are new disbursements of performing loans, debt securities measured at amortised cost, and receivables related to servicer activities on behalf of third parties.

KPIs	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Nominal amount of receivables managed	21.605.929	26.147.455	(4.541.526)	(17,4)%
RWA (1)	1.733.692	1.898.366	(164.674)	(8,7)%

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

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

NPL SEGMENT NON-PERFORMING LOAN PORTFOLIO PERFORMANCE	31.12.2024	31.12.2023
Opening loan portfolio	**1.629.215**	**1.505.026**
Purchases (+)	18.032	230.589
- *of which from business combination*	-	*210.762*
Sales (-)	(49.588)	(21.244)
Gains (losses) on disposals (+/-)	16.068	10.377
Interest income from amortised cost (+)	185.126	170.423
Other components of interest from change in cash flow (+)	130.487	131.081
Collections (-)	(421.919)	(397.037)
Closing loan portfolio	**1.507.421**	**1.629.215**

Total purchases for FY 2024 amount to 18,0 million Euro, down significantly from 230,6 million Euro as at 31 December 2023, reflecting the early purchase of new Npl portfolios at the end of 2023 through the business combination of Revalea with its 210,8 million Euro loan portfolio. During the financial year, sales of Npls were completed for a total price of 49,6 million Euro, which generated profits of 16,1 million Euro.

The item "Collections", equal to 421,9 million Euro at 31 December 2024, includes the instalments collected during the year from repayment plans, from garnishment orders and transactions carried out rises by 6,3% on the collections of 397,0 million Euro made in 2023.

At 31 December 2024, the portfolio managed by the Npl Segment includes 2.055.540 positions, for a nominal amount of 21,6 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 residual personal loan portfolios.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	**13.410**	**52.645**	**(39.235)**	**(74,5)%**
Net commission income	**(3.359)**	**(2.060)**	**(1.299)**	**63,1%**
Other components of net banking income	41.461	14.859	26.602	179,0%
Net banking income	**51.512**	**65.444**	**(13.932)**	**(21,3)%**
Net credit risk losses/reversals	2.691	8.412	(5.721)	(68,0)%
Net profit (loss) from financial activities	**54.203**	**73.856**	**(19.653)**	**(26,6)%**
Operating costs	**(43.666)**	**(38.827)**	**(4.839)**	**12,5%**
Charges related to the banking system	(8.136)	(11.193)	3.057	(27,3)%
Net allocations to provisions for risks and charges	489	(2.524)	3.013	n.a.
Gains (losses) on disposal of investments	-	986	(986)	(100,0)%
Pre-tax profit (loss) for the period from continuing operations	**2.890**	**22.298**	**(19.408)**	**(87,0)%**
Income taxes for the year relating to current operations	(968)	(7.266)	6.298	(86,7)%
Profit (loss) for the year	**1.922**	**15.032**	**(13.110)**	**(87,2)%**
(Profit) loss for the year attributable to non-controlling interests	(1.596)	(1.806)	210	(11,6)%
Profit (loss) for the year attributable to the Parent Company	**326**	**13.226**	**(12.900)**	**(97,5)%**

The Segment's net banking income amounts to 51,5 million Euro, down 13,9 million Euro compared to 31 December 2023 and is determined in particular by the following dynamics:

- net interest income, decreasing by 39,2 million Euro at 31 December 2023. The negative change is due for 11,4 million Euro to lesser interest income in the run-off portfolio of the Non-Core business, while the residual change of 27,8 million Euro is mainly due to the cost of funding;
- other components of net banking income have increased by 26,6 million Euro, of which 6,8 million Euro is due to the improvement of the fair value of the Non-Core business (of which 6,2 million Euro relating to the sale of a PFI - Participating Financial Instrument) and 20,1 million Euro to the disposal of bonds.

In terms of funding, "Rendimax Deposit Account" continues to constitute the Group's main source of finance, with a comprehensive cost of 133,4 million Euro, higher than last year (54,1 million Euro) due to the increase in average rates that go from 1,98% in 2023 to 3,04% in 2024 following the successful retail funding campaigns run late 2023 and early 2024. Average assets under management also increase, amounting to 4.394 million Euro at 31 December 2024 compared to 4.003 million Euro at end FY 2023.

At 31 December 2024, the carrying amount of the bonds issued by Banca Ifis is 1.507,3 million Euro, up by 71,5 million Euro compared with 31 December 2023. During the year, a new issue was completed, which comes under the scope of the Group's EMTN issuance programme, worth a nominal amount of 400 million Euro to replace the bond with the same nominal amount that matured in June 2024 (for more details on the February 2024 issue, please refer to the section "Significant events occurred in the year"). In economic terms, interest expense accrued on all issues rose by 29,1 million Euro compared with FY 2023, coming in at a total of 95,7 million Euro at 31 December 2024.

Funding through securitisation, amounting to 1.645,4 million Euro at 31 December 2024, is down by 207,7 million Euro compared with the figure at 31 December 2023 and consists of:

- securities issued by the SPV ABCP Programme for 976,6 million Euro relating to the senior tranche. It should be noted that at the end of June 2024, the restructuring of this securitisation, involving proprietary factoring receivables, was completed (for more details, please refer to the section "Significant events occurred in the year" below);
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 268,6 million Euro relating to the senior tranche.

Accrued interest expense goes from 68,2 million Euro at 31 December 2023 to 77,5 million Euro at 31 December 2024 due to the effect of the change in the market curves to which they are indexed and to the placement, which took place in July 2023, of the Indigo Lease securitisation notes carried out with the restructuring of the transaction (the impact of which on the data compared at 31 December 2023, was therefore limited to the second half of the year).

With reference to TLTRO operations, it should be noted that in 2024 the related funding was fully repaid. Compared to the previous year, the following repayments were recorded:

- nominal 750 million Euro in March 2024;
- nominal 375 million Euro in June 2024;
- nominal 411,5 million Euro on 25 September 2024.

Also worth mentioning is the access to funding through an MRO refinancing transaction in the amount of 400 million Euro, carried out in December 2024 and maturing on 8 January 2025.

As a result of the dynamics depicted above (and in particular the aforementioned repayment of the TLTRO lines), the average funding cost as at 31 December 2024 stands at 3,87%, up from the figure of 3,08% for the average of FY 2023.

With regard to the credit cost, the figure for 31 December 2024 shows net write-backs of 2,7 million Euro, a downturn of 5,7 million Euro compared to 31 December 2023, consistent with the run-off of the underlying portfolio.

Operating costs come to 43,7 million Euro, up 4,8 million Euro on 31 December 2023, related to higher consultancy expenses and higher ICT costs to strengthen the Climate & ESG control. As these costs are not related to specific immediate business topics, they were allocated to the Governance & Services and Non-Core Segment.

The item “Charges related to the banking system” includes the costs incurred during the year for the operation of the banking system's guarantee funds. At 31 December 2024, the item amounts to 8,1 million Euro and refers to the cost of the annual contribution to the Interbank Deposit Protection Fund (FITD), of which 7,9 million Euro relates to the Parent Company Banca Ifis and the remainder to the subsidiary Banca Credifarma. The comparative balance as at 31 December 2023 of 11,2 million Euro also included the contribution of 4,1 million Euro to the Single Resolution Fund, which reached its accumulation plan target in 2023.

With reference to the provisions for risks and charges, there are net releases of 0,5 million Euro, an improvement of 3,0 million Euro compared to the net allocations of 2,5 million Euro as of 31 December 2023, due to the Group’s positive resolution of an outstanding dispute. The releases recognised were only partially offset by provisions for the year made mainly for contractual guarantees given on transferred positions.

The item "Gains (losses) on disposal of investments” has a null balance, a reduction compared with 31 December 2023 when it came to 986 thousand Euro, insofar as it included the effect of the sale of a property held by the subsidiary Banca Credifarma.

As a result of the above trends, the profit for the year of the Governance & Services and Non-Core Segment amounts to 1,9 million Euro, down from 15,0 million Euro (-13,1 million Euro) at 31 December 2023. Excluding the profit attributable to minority interests, the Segment's contribution to the profit attributable to the Parent Company amounts to 0,3 million Euro.

As regards equity figures, at 31 December 2024, total net receivables for the Segment amount to 2.303,4 million Euro, up 90,8 million Euro on the figure at 31 December 2023 (2.212,5 million Euro).

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

- net non-performing loans: 5,6 million Euro at 31 December 2024, down 2,3 million Euro on the figure recorded at 31 December 2023;
- net performing exposures: 11,2 million Euro at 31 December 2024, down 5,7 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 31.12.2024						
Nominal amount	7.938	31.084	7.106	**46.128**	2.278.168	**2.324.296**
Losses	(4.218)	(10.622)	(2.286)	**(17.126)**	(3.777)	**(20.903)**
Carrying amount	3.720	20.462	4.820	**29.002**	2.274.391	**2.303.393**
Coverage ratio	*53,1%*	*34,2%*	*32,2%*	***37,1%***	*0,2%*	***0,9%***
POSITION AT 31.12.2023						
Nominal amount	12.256	22.793	8.625	**43.674**	2.191.536	**2.235.210**
Losses	(6.595)	(8.241)	(3.240)	**(18.076)**	(4.626)	**(22.702)**
Carrying amount	5.661	14.552	5.385	**25.598**	2.186.910	**2.212.508**
Coverage ratio	*53,8%*	*36,2%*	*37,6%*	***41,4%***	*0,2%*	***1,0%***

(1) In the Governance & Services and Non-Core Segment, at 31 December 2024, there are government securities amounting to 1.579,0 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 December 2024 is essentially in line with the figure at 31 December 2023 and is mainly related to the Non-Core unit portfolio, which records lower coverage due to the presence of POCI receivables.

Net non-performing loans in the Governance & Services Segment and Non-Core increased by 13,3% compared to the December 2023 figure, mainly due to an increase in unlikely to pay positions. Performing loans were substantially in line with the balance of the previous year despite the disposals of debt securities made during 2024, mainly relating to government bonds (these securities rose from 1.628,7 million Euro as at 31 December 2023 to 1.579,0 million Euro at year-end 2024).

The coverage of non-performing loans, influenced by the aforementioned POCI loans, is 37,1% at 31 December 2024 (41,4% at 31 December 2023).

Group reclassified financial and income results

Reclassified Statement of financial positions items

RECLASSIFIED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	505.016	857.533	(352.517)	(41,1)%
Financial assets mandatorily measured at fair value through profit or loss	237.032	221.982	15.050	6,8%
Financial assets measured at fair value through other comprehensive income	701.830	749.176	(47.346)	(6,3)%
Receivables due from banks measured at amortised cost	703.763	637.567	66.196	10,4%
Receivables due from customers measured at amortised cost	10.810.018	10.622.134	187.884	1,8%
Property, plant and equipment and intangible assets	252.153	219.922	32.231	14,7%
Tax assets	213.464	285.435	(71.971)	(25,2)%
Other assets	402.462	457.612	(55.150)	(12,1)%
Total assets	**13.825.738**	**14.051.361**	**(225.623)**	**(1,6)%**
Payables due to banks measured at amortised cost	1.443.250	2.717.139	(1.273.889)	(46,9)%
Payables due to customers measured at amortised cost	7.001.763	5.814.624	1.187.139	20,4%
Debt securities issued	3.152.737	3.288.895	(136.158)	(4,1)%
Tax liabilities	51.924	57.717	(5.793)	(10,0)%
Provisions for risks and charges	52.339	58.178	(5.839)	(10,0)%
Other liabilities	375.579	421.109	(45.530)	(10,8)%
Consolidated equity	1.748.146	1.693.699	54.447	3,2%
Total liabilities and equity	**13.825.738**	**14.051.361**	**(225.623)**	**(1,6)%**

Cash and cash equivalents

Cash and cash equivalents include sight bank accounts and amount to 505,0 million Euro at 31 December 2024. The decrease compared to the figure of 857,5 million Euro at the end of 2023 is mainly related to the decrease in overnight deposits with the Bank of Italy (-295,0 million Euro). The general trend of the item during 2024 is driven by the reshaping of funding in relation to the trend and composition of Group loans.

Financial assets mandatorily measured at fair value through profit or loss

Financial assets mandatorily measured at fair value through profit or loss total 237,0 million Euro at 31 December 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	
	31.12.2024	31.12.2023	ABSOLUTE	%
Debt securities	69.042	86.919	(17.877)	(20,6)%
Equity securities	68.725	51.051	17.674	34,6%
UCITS units	98.058	76.910	21.148	27,5%
Loans	1.207	7.102	(5.895)	(83,0)%
Total	**237.032**	**221.982**	**15.050**	**6,8%**

In detail, the increase of 6,8% compared to 31 December 2023 can be broken down as follows:

- the 17,9 million Euro (-20,6%) decrease in debt securities was the result of the 18,9 million Euro negative net effect of new subscriptions and redemption trend and collections for the year and 1,0 million Euro net positive fair value changes;
- the 17,7 million Euro increase (+34,6%) in equity securities is mainly due to the fair value changes during the year (+10,6 million Euro) and the subscription of new securities (+8,9 million Euro);
- the year increase in the balance of UCITS units (+21,1 million Euro, +27,5%), is recorded following the growth recorded in fair value measurements (+6,6 million Euro) and the positive contribution of net new subscriptions, net of redemptions and collections, of 14,5 million Euro;
- the significant decrease in the carrying amount of loans compared to 31 December 2023 (-83,0%), mainly as a result of the collections upon closure of singularly significant positions for a total of 5,4 million Euro.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income amount to 701,8 million Euro at 31 December 2024, down 6,3% 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	
	31.12.2024	31.12.2023	ABSOLUTE	%
Debt securities	544.936	634.306	(89.370)	(14,1)%
of which: government securities	*455.312*	*460.187*	*(4.875)*	*(1,1)%*
Equity securities	156.894	114.870	42.024	36,6%
Total	**701.830**	**749.176**	**(47.346)**	**(6,3)%**

Debt securities owned measured at fair value through other comprehensive income decrease by 89,4 million Euro (-14,1%) compared to the balance at 31 December 2023, mainly due to the effect of natural maturities and disposals during the year (-361,9 million Euro, of which -249,2 million Euro related to government bonds, mainly due to the reaching of natural maturities), only partially offset by new subscriptions for the year (+276,4 million Euro, of which +243,6 million Euro related to government bonds) and the increase in fair value measurements (+1,9 million Euro, essentially due to government securities). The related associated net negative fair value reserve amounts to 16,7 million Euro at 31 December 2024, of which 15,9 million Euro associated with Government securities.

This item also includes equity securities attributable to non-controlling interests, which amount to 156,9 million Euro at the end of FY 2024, up 36,6% compared to 31 December 2023, mainly due to investments made in 2024 (+70,5 million Euro), only partly offset by disposals during the year (-25,9 million Euro) and by the decline recorded in fair value amounts in 2024 (-2,5 million Euro). The net fair value reserve associated with this portfolio at 31

December 2024 shows a negative value of 7,7 million Euro, better than the negative figure posted at the end of 2023, which was 14,4 million Euro.

Receivables due from banks measured at amortised cost

Total receivables due from banks measured at amortised cost amount to 703,8 million Euro at 31 December 2024, up on the figure booked at 31 December 2023 (637,6 million Euro). The change in this item is attributable to the growth in loans to central banks for reserve requirements (+47,7 million Euro), as well as repurchase agreements (repos) with banks, up by 25,2 million Euro.

The item also 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 December 2024 have a carrying amount of 556,1 million Euro, a reduction compared to the figure at December 2023 (-3,6%, equal to -20,8 million Euro), insofar as the effect of new bank bond subscriptions during the year (+268,6 million Euro) was more than offset by that of disposals made in 2024, within the limits envisaged by the Group policy (-289,7 million Euro).

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 10.810,0 million Euro, essentially in line with the 31 December 2023 figure of 10.622,1 million Euro. The item includes debt securities for 1,9 billion Euro (2,0 billion Euro at 31 December 2023, -3,6%), of which government securities for 1,6 billion Euro (-3,1% compared with 31 December 2023). In the absence of the debt securities component, receivables due from customers amount to 8.861,4 million Euro, up 3,0% compared to the December 2023 figure (8.600,2 million Euro).

The main dynamics by segment are shown below:

- The Commercial & Corporate Banking segment stands at 6.985,6 million Euro compared with 6.763,5 million Euro at December 2023 (+3,3%). The trend saw consolidated growth in all three business areas of the Sector, with the largest contribution coming from the Corporate Banking & Lending Area (+106,1 million Euro, +4,5%);
- receivables due from customers in the Npl Segment decrease compared to 31 December 2023 (-7,6%) to 1.521,0 million Euro;
- the contribution of the Governance & Services and Non-Core Segment comes to 2.303,4 million Euro, an increase compared with the end-of-2023 figure of 2.212,5 million Euro (+4,1%).

RECEIVABLES DUE FROM CUSTOMERS BREAKDOWN BY SEGMENT (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Commercial & Corporate Banking Segment	6.985.624	6.763.468	222.156	3,3%
- of which non-performing	*193.814*	*212.870*	*(19.056)*	*(9,0)%*
Factoring Area	2.900.077	2.844.805	55.272	1,9%
- of which non-performing	*78.026*	*128.985*	*(50.959)*	*(39,5)%*
Leasing Area	1.612.971	1.552.204	60.767	3,9%
- of which non-performing	*13.311*	*10.729*	*2.582*	*24,1%*
Corporate Banking & Lending Area	2.472.576	2.366.459	106.117	4,5%
- of which non-performing	*102.477*	*73.155*	*29.322*	*40,1%*
Npl Segment	1.521.001	1.646.158	(125.157)	(7,6)%
- of which non-performing	*1.496.755*	*1.616.614*	*(119.859)*	*(7,4)%*
Governance & Services and Non-Core Segment(1)	2.303.393	2.212.509	90.884	4,1%
- of which non-performing	*29.002*	*25.598*	*3.404*	*13,3%*
Total receivables due from customers	**10.810.018**	**10.622.134**	**187.884**	**1,8%**
- of which non-performing	***1.719.571***	***1.855.082***	***(135.511)***	***(7,3)%***

(1) In the Governance & Services and Non-Core Segment, at 31 December 2024, there are government securities amounting to 1.579,0 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 1.719,6 million Euro at 31 December 2024, compared to 1.885,1 million Euro at 31 December 2023 (-7,3%).

Net of this item relative to the Npl Segment, net non-performing loans come to 222,8 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, which are calculated excluding Npl Segment loans and Government bonds measured at amortised cost, show an improving trend compared with the equivalent figure of 31 December 2023.

KPIs	AMOUNTS		CHANGE
	31.12.2024	31.12.2023	%
Net Npe ratio	2,9%	3,2%	(0,3)%
Gross Npe ratio	5,4%	5,5%	(0,1)%

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

Intangible assets and property, plant and equipment

Intangible assets come to 85,5 million Euro, up 11,5% 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 47,5 million Euro (up from the balance of 38,6 million Euro at 31 December 2023 as a result of investments made during 2024) and 38,0 million Euro in goodwill following the acquisition of the former Fbs Group.

Property, plant and equipment comes to 166,7 million Euro, up 16,3% compared with the 143,3 million Euro booked at 31 December 2023, mainly as a result of the investments made in FY 2024 by the Parent Company Banca Ifis, including the purchases of office buildings in Milan and Mestre and Palazzo San Pantalon in Venice, on whose façade the work "The Migrant Child" by the artist Banksy is painted.

At 31 December 2024, the properties recognised under property, plant and equipment include the important historical building "Villa Fürstenberg" ("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 213,4 million Euro, a decrease of 25,2% compared to 31 December 2023, which was 285,4 million Euro, mainly due to the reversals of the portions of deferred tax assets pursuant to Law 214/11 that were prepaid under current legislation.

Specifically, current tax assets amount to 42,0 million Euro, and decrease by 9,8% compared to the figure at 31 December 2023, which was 46,6 million Euro due to the effect of the liquidation of tax relative to the previous year.

Deferred tax assets ("DTAs") amount to 171,4 million Euro, down on the figure of 238,8 million Euro at 31 December 2023 and consist mainly of 85,1 million Euro of assets recognised for impairment losses on receivables due from customers, potentially convertible into tax credits in accordance with Italian Law No. 214/2011 (144,7 million Euro at 31 December 2023), 40,0 million Euro of assets recognised for prior tax losses and aid for economic growth ("ACE") benefit (41,1 million Euro at 31 December 2023) and 46,3 million Euro (53,1 million Euro at 31 December 2023) in tax misalignments mainly relating to financial assets measured at fair value through other comprehensive income (FVOCI) and provisions for risks and charges. The decrease is mainly attributable to the release of the year's portion of deferred tax assets that can be converted into tax credits under Law 214/2011.

With regard to the recoverability of deferred tax assets recognised at 31 December 2024, please refer to the paragraph on "Risks and uncertainties related to estimates" within Part A of the Notes to the Consolidated Financial Statements and to "Section 11 - Tax assets and liabilities - Item 110 of Assets and Item 60 of Liabilities" in Part B of the Notes to the Consolidated Financial Statements.

Tax liabilities amount to 51,9 million Euro (57,7 million Euro at 31 December 2023) and are made up as follows:

- current tax liabilities of 23,3 million Euro (26,0 million Euro at 31 December 2023) representing the tax burden accrued during the year;
- deferred tax liabilities, amounting to 28,6 million Euro (31,7 million Euro at 31 December 2023), mainly include 23,6 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 December 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 December 2024, the deduction is 40 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 13,3 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 December 2024, these assets amount to 33,4 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 15,3 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 December 2024, the corresponding weight totals 85,1 million Euro;

- "current tax assets" receive a 0% weight as they are exposures to the Central Government.

Other assets and liabilities

Other assets, of 402,5 million Euro as compared to a balance of 457,6 million Euro at 31 December 2023, include:

- financial assets held for trading for 12,1 million Euro (12,9 million Euro at 31 December 2023), entirely relating to transactions hedged by opposite positions entered amongst financial liabilities held for trading;
- derivative hedging assets, related to the micro fair value hedging strategies on the price risk associated with equity securities measured at fair value through other comprehensive income and the interest rate risk on debt securities measured at fair value through other comprehensive income, both initiated during the year, which have a positive fair value of 7,4 million Euro at 31 December 2024;
- equity investments in the amount of 24 thousand Euro, in line with the balance as at 31 December 2023;
- other assets of 383,0 million Euro (444,7 million Euro at 31 December 2023), which include tax receivables of 181,1 million Euro (of which 163,0 million Euro related to tax credits for Super Ecobonus and other building tax bonuses worth a nominal amount of 180,8 million Euro, a reduction compared with the carrying amount of 208,7 million Euro at 31 December 2023), transitory items and effects portfolio for 61,2 million Euro (down 11,3 million Euro compared with December 2023), accrued income and deferred expenses for 68,5 million Euro (+8,6 million Euro compared with December 2023) and receivables from the tax consolidating company La Scogliera connected to the Group's 2024 tax consolidation for 25,0 million Euro (-7,2 million Euro compared with December 2023).

With specific reference to the above-mentioned tax credits for Super Ecobonus and other building tax bonuses recognised under "other assets" in the nominal amount of 180,8 million Euro at 31 December 2024, it should be noted that during the financial year there was an update of the associated regulations. Indeed, with the approval of Decree Law 39/2024 converted with amendments by Law No. 67 of 23 May 2024 (in OJ No. 123 of 28/05/2024), a number of important innovations were introduced with regard to building bonus credits.

In particular, as far as the banking sector is concerned, it was stipulated that:

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

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

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

Other liabilities come to 375,6 million Euro, a reduction of 10,8% compared with 421,1 million Euro at 31 December 2023, and mainly consist of:

- trading derivative liabilities for 13,8 million Euro, mainly referring to transactions hedged by opposite positions entered amongst financial assets held for trading, and essentially in line with the balance at 31 December 2023 of 14,0 million Euro;
- 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 14,9 million Euro at 31 December 2024, up from the balance of 11,6 million Euro at 31 December 2023;

- severance indemnity payable for 7,6 million Euro, 4,3% down on the figure of 31 December 2023 (7,9 million Euro);
- other liabilities for 339,4 million Euro, down 12,4% from 387,6 million Euro at 31 December 2023. More specifically, the most significant items making up the balance at 31 December 2024 largely refer to operating payables for 105,2 million Euro, to transitional items and amounts due to customers that have not yet been allocated for 55,4 million Euro and to payables due to La Scogliera for 29,1 million Euro relative to the Group tax consolidation for 2024 (31,2 million Euro at 31 December 2023).

Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Payables due to banks	**1.443.250**	**2.717.139**	**(1.273.889)**	**(46,9)%**
- Payables due to Central banks	419.286	1.577.874	(1.158.588)	(73,4)%
of which: TLTRO	-	*1.577.874*	*(1.577.874)*	*(100,0)%*
of which: MRO	*400.035*	-	*400.035*	*n.a.*
of which: Other deposits	*19.251*	-	*19.251*	*n.a.*
- Repurchase agreements	630.540	715.313	(84.773)	(11,9)%
- Other payables	393.424	423.952	(30.528)	(7,2)%
Payables due to customers	**7.001.763**	**5.814.624**	**1.187.139**	**20,4%**
- Repurchase agreements	1.045.734	346.317	699.417	202,0%
- Retail	4.789.355	4.474.892	314.463	7,0%
- Other term deposits	399.765	122.325	277.440	226,8%
- Lease payables	23.525	22.702	823	3,6%
- Other payables	743.384	848.388	(105.004)	(12,4)%
Debt securities issued	**3.152.737**	**3.288.895**	**(136.158)**	**(4,1)%**
Total funding	**11.597.750**	**11.820.658**	**(222.908)**	**(1,9)%**

Total funding amounts to 11,6 billion Euro at 31 December 2024 and shows a slight decrease compared with the figure at 31 December 2023 (-1,9%); it is represented for 60,4% by payables due to customers (49,2% at 31 December 2023), for 27,2% by debt securities issued (27,8% at 31 December 2023), and for 12,4% by payables due to banks (23,0% at 31 December 2023).

Payables due to banks come to 1.443,3 million Euro, down 46,9% compared to the end-of-December 2023 figure, mainly as a result of the full repayment of the TLTRO III lines in 2024 totalling a nominal 1,5 billion Euro (a repayment of a tranche for a nominal 750 million Euro in the first half, a partial repayment of a nominal 375 million Euro at the end of June 2024 and the repayment of the residual nominal amount of 411,5 million Euro at the final maturity of September 2024), partially offset by the subscription of a MRO transaction in December 2024 for 400 million Euro maturing on 8 January 2025, and a reduction in repurchase agreements payable to banks of 84,8 million Euro.

Payables due to customers at 31 December 2024 total 7,0 billion Euro, up 20,4% compared to 31 December 2023. Growth was driven by repurchase agreements with customers, which amount to 1.045,7 million Euro (+699,4 million Euro compared to the balance at the end of 2023) and retail funding, which amounts to 4,8 billion Euro at the end of 2024 (+7,0% compared to 31 December 2023).

Debt securities issued amount to 3,2 billion Euro at 31 December 2024, down by 136,2 million Euro (-4,1%) following the period dynamics, characterised by the issue in February 2024 of a senior bond worth a nominal amount of 400 million Euro and having a term of 5 years (for more details, please refer to the section “Significant events occurred in the year”), which has essentially replaced the Senior Preferred bond worth a nominal 400 million

Euro issued in 2020 and which reached maturity on 25 June 2024, and the normal amortisation of the Group's securitisation securities (-207,7 million Euro compared to December 2023). Debt securities issued at 31 December 2024 consist of:

- securities issued by the SPV ABCP Programme for 976,6 million Euro relating to the senior tranche. It should be noted that at the end of June 2024, the restructuring of this securitisation, involving proprietary factoring receivables, was completed (for more details, please refer to the section "Significant events occurred in the year");
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 268,6 million Euro relating to the senior tranche;
- 373,0 million Euro for a subordinate loan, in line with 31 December 2023;
- 4 senior bonds issued by Banca Ifis in the total amount of 1,1 billion Euro, up on the end-December 2023 figure (+6,7%) for the above-mentioned February 2024 issue of the senior bond of 400 million Euro, which more than offset the year's collections on other bonds.

As a result of the dynamics depicted above (and in particular the repayment of the TLTRO lines), the average funding cost as at 31 December 2024 stands at 3,87%, up from the figure of 3,08% for the average of the first nine months of 2023.

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

RETAIL FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Short-term funding (within 18 months)	3.675.749	3.256.259	419.490	12,9%
of which: Unrestricted	*466.046*	*458.116*	*7.930*	*1,7%*
of which: Like/One	*251.276*	*355.016*	*(103.740)*	*(29,2)%*
of which: restricted	*2.598.764*	*2.145.288*	*453.476*	*21,1%*
of which: German deposit	*359.663*	*297.839*	*61.824*	*20,8%*
Medium/long-term funding (beyond 18 months)	1.113.606	1.218.633	(105.027)	(8,6)%
Total retail funding	**4.789.355**	**4.474.892**	**314.463**	**7,0%**

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Provisions for credit risk related to commitments and financial guarantees granted	5.222	5.374	(152)	(2,8)%
Provisions on other commitments and guarantees given	337	-	337	n.a.
Provisions for pensions	231	196	35	17,9%
Legal and tax disputes	28.337	43.029	(14.692)	(34,1)%
Personnel expenses	1.931	2.592	(661)	(25,5)%
Other provisions	16.281	6.987	9.294	133,0%
Total provisions for risks and charges	**52.339**	**58.178**	**(5.839)**	**(10,0)%**

Below is the breakdown of the provision for risks and charges at 31 December 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

At 31 December 2024, this item amounts to 5,2 million Euro, reflecting the impairment losses on irrevocable commitments to disburse funds and financial guarantees granted by the Group

Provisions on other commitments and guarantees given

At 31 December 2024, this item has a balance of 337 thousand Euro.

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 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 December 2024, this fund amounts to 231 thousand Euro, an increase of 35 thousand Euro compared to the balance at 31 December 2023.

Legal and tax disputes

At 31 December 2024, provisions are entered for legal and tax disputes for a total of 28,3 million Euro, a reduction on the 43,0 million Euro recorded at 31 December 2023. The 14,7 million Euro decrease is mainly attributable to releases related to disputes related to the former Aigis Banca (for 5,8 million Euro), to the positive resolution of a dispute related to the former Interbanca (for 3,3 million Euro), and to net releases attributable to the subsidiary Ifis Npl Investing for 2,2 million Euro. During the course of the year, 99 lawsuits were closed, whose provision set aside at the beginning of the year amounted to 15,1 million Euro, and 87 new lawsuits were opened, whose provision for risks and charges as at 31 December 2024 amounted to 3,9 million Euro.

Personnel expenses

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

Other provisions for risks and charges

At 31 December 2024, there are "Other provisions" of 16,3 million Euro, up from the figure at 31 December 2023 (+10,0 million Euro), mainly as a result of allocations made to cover risks related to outstanding disputes over tax credits for Super Ecobonus and other building tax bonuses, in respect of which the provision made at 31 December 2024 is 7,5 million Euro. The item also includes 3,4 million Euro for Supplementary Customer Indemnity in connection with the Leasing Area's operations, 3,1 million Euro for the provision for risks linked to assignments and 0,4 million Euro for the provision for complaints.

Consolidated equity

Consolidated equity at 31 December 2024 totals 1.748,1 million Euro, up 3,2% 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	
	31.12.2024	31.12.2023	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	85.391	84.108	1.283	1,5%
Valuation reserves:	(28.144)	(39.215)	11.071	(28,2)%
- securities	*(23.150)*	*(33.359)*	*10.209*	*(30,6)%*
- defined benefit plans (e.g. severance indemnity)	*574*	*290*	*284*	*97,9%*
- Exchange differences	*(5.437)*	*(6.146)*	*709*	*(11,5)%*
- hedging of equity securities at fair value through other comprehensive income	*(131)*	*-*	*(131)*	*n.a.*
Reserves	1.543.729	1.505.424	38.305	2,5%
Interim dividends (-)	(63.084)	(62.962)	(122)	0,2%
Treasury shares (-)	(20.971)	(21.817)	846	(3,9)%
Equity attributable to non-controlling interests	15.836	14.240	1.596	11,2%
Net profit attributable to the Parent Company	161.578	160.110	1.468	0,9%
Consolidated equity	**1.748.146**	**1.693.699**	**54.447**	**3,2%**

CONSOLIDATED EQUITY: CHANGES	(in thousands of Euro)
Consolidated equity at 31.12.2023	**1.693.699**
Increases:	**166.357**
Profit for the year attributable to the Parent Company	161.578
Sale/assignment of treasury shares	1.283
Change in valuation reserve	993
- defined benefit plans (e.g. severance indemnity)	*284*
- exchange differences	*709*
Stock options	155
Equity attributable to non-controlling interests	1.596
Other changes	752
Decreases:	**111.910**
Dividends distributed	110.362
- of which dividend balance on 2023 profit	*47.278*
- of which interim dividend on 2024 profit	*63.084*
Change in valuation reserve	1.548
- securities (net of realisations)	*1.395*
- change in valuation reserve for the hedging of equity securities at fair value through other comprehensive income (net of realisations)	*153*
Consolidated equity at 31.12.2024	**1.748.146**

With reference to the extraordinary tax on the "extra-profits" of the banks under Italian Law No. 136/2023, it should be noted that the corresponding allocations to reserves proposed by the directors to the relevant shareholders' meetings in 2024 have been approved by them and amount to 23.905.112 Euro for Banca Ifis (resolution dated 18

April 2024) and 3.252.404 Euro for Banca Credifarma (resolution dated 10 April 2024). Finally, it should be noted that the provision of the last part of paragraph 5-bis of Italian Law No. 136/2023 determines an obligation to be considered new and autonomous and consisting in the maintenance of the non-distributable restriction on the reserve recorded by each bank in their respective separate financial statements. In this regard, the directors currently confirm their intention not to proceed with any distribution of the reserves thus constituted.

RECONCILIATION OF EQUITY AND THE NET RESULT OF THE PARENT COMPANY WITH THE CONSOLIDATED DATA ATTRIBUTABLE TO THE PARENT COMPANY (in thousand Euro)	31.12.2024	
	EQUITY	*OF WHICH: PROFIT (LOSS) FOR THE YEAR*
Balances of the Parent company Banca Ifis	**1.394.367**	***139.303***
Difference compared to the carrying amounts of the companies consolidated	354.140	*176.450*
- Ifis Finance Sp z o.o.	*23.119*	*6.859*
- Ifis Finance I.F.N. S.A.	*(244)*	*1.583*
- Ifis Rental Services	*69.663*	*14.486*
- Cap.Ital.Fin.	-	*1.443*
- Banca Credifarma	*74.557*	*18.001*
- Ifis Npl Investing	*166.082*	*160.209*
- Ifis Npl Servicing	*20.963*	*(26.131)*
Elimination of intra-group dividends	-	*(82.000)*
Other consolidation entries	(361)	*(72.175)*
Consolidated balances attributable to the Parent company	**1.748.146**	***161.578***

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	31.12.2024(1)	31.12.2023(2)
Common Equity Tier 1 (CET1) capital	1.583.801	1.544.497
Tier 1 capital	1.584.703	1.545.424
Total Own Funds	**1.781.416**	**1.812.324**
Total RWAs	**9.836.093**	**10.390.002**
CET1 Ratio	16,10%	14,87%
Tier 1 Ratio	16,11%	14,87%
Total Capital Ratio	**18,11%**	**17,44%**

(1) CET1, Tier 1 and Total Capital include the profits accrued by the Banking Group at 31 December 2024, 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.
(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 December 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 December 2024, in continuity with what has been done since 30 June 2020, the Banca Ifis Group has applied the temporary support provisions still in force at this reporting date, as set out in EU Regulation No. 873/2020 (the "quick-fix").

New developments in 2024 include the application of the temporary treatment of unrealised gains and losses measured at fair value for exposures to central governments classified in the category “financial assets at fair value through other comprehensive income” (or “FVOCI”), reintroduced by EU Regulation No. 1623/2024 as an amendment to Article 468 of the CRR.

Innovations for the end of 2024 include the activation by the Bank of Italy of the capital buffer against systemic risk. As at 31 December 2024, the reserve to be attained constitutes 0,5% of risk-weighted credit and counterparty risk exposures to residents of Italy. The target rate of 1,0% is to be reached by 30 June 2025.

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

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

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

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

At 31 December 2024, taking into account the transitional treatment adopted to mitigate the impacts of IFRS 9 on CET1, Own funds amount to 1.781,4 million Euro, recording a negative change of 30,9 million Euro compared to 31 December 2023. This change is mainly attributable to the following components:

- inclusion of the profit accrued at 31 December 2024 of 161,6 million Euro, net of the assumed dividend of 111,5 million Euro including the portion distributed on account; the positive change amounts to 50,1 million Euro;
- lower deduction of deferred tax assets of 4,9 million Euro;
- positive change in other reserves in the amount of 3 million Euro;
- the application of the transitional filter introduced to mitigate the impact of the FTA of IFRS 9 (Art. 473-bis CRR), which determines a negative change of 19,9 million Euro, partially offset by the introduction of the filter on the OCI reserve on government securities in the positive amount of 15,9 million Euro. The total negative change comes to 4,0 million Euro;
- higher deduction from the CET1, deriving from the increase in receivables within the scope of what is termed “Calendar provisioning”, for 14,8 million Euro;
- the reduced eligibility for Tier 2 capital of the subordinated loan with a maturity of less than 5 years, mainly due to the joint effect of the application of the amortisation under Article 64 of the CRR and the deduction of the repurchase obligation authorised by the Bank of Italy, which has entailed a total reduction of 70,2 million Euro.

The negative change in shareholders' equity due to the aforementioned phenomena was mitigated by a reduction in risk-weighted assets (RWA) of 553,9 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	**5.769.725**	***2.729.714***	***1.200.451***	***1.839.560***	**1.733.692**	**1.171.961**	**8.675.378**
RWA for market risk	X	*X*	*X*	*X*	X	X	39.749
RWA for operational risk (basic indicator approach)	X	*X*	*X*	*X*	X	X	1.038.251
RWA for credit valuation adjustment risk	X	*X*	*X*	*X*	X	X	82.715
Total RWAs	**X**	***X***	***X***	***X***	**X**	**X**	**9.836.093**

At 31 December 2024, taking into account the transitional treatment adopted to mitigate the impact of IFRS 9, risk-weighted assets (RWAs) amount to 9.836,1 million Euro, a decrease of 550,2 million Euro compared to December 2023. Specifically, please note:

- a reduction in credit risk of 574,2 million Euro mainly attributable to the following changes:
  - reduction of 89 million Euro recorded on the corporate and retail exposure class, attributable to the recovery of information assets useful for the application of preferential risk weights;
  - a reduction of 222,6 million Euro related to the exposure class Institutions, mainly due to the decrease in repurchase agreements and securities transactions in the first half of 2024 and, starting in the third quarter of 2024, to the introduction of the credit ratings of the agency (ECAI) Fitch Ratings Ireland Limited;
  - a reduction of 234,7 million Euro in the “Exposures in default” portfolio, the effect of which is due to a decrease in volumes in the Npl Segment (-130 million Euro);
  - net changes in the other exposure classes, the effect of which amounts to a total decrease of 27,7 million Euro;
- an increase in market risk and Credit Valuation Adjustment (CVA) components, totalling 9,9 million Euro, mainly due to an increase in derivative transactions;
- an increase in operational risk of 10,3 million Euro, due to the improvement of the relevant indicator.

Following the above-described dynamics, at 31 December 2024, the CET1 ratio stands at 16,10%, up 123 basis points from 31 December 2023, while the Total Capital ratio stands at 18,11%, up 67 basis points compared with 31 December 2023.

At 31 December 2024, not considering the filter related to the IFRS 9 transitional regime nor taking into account the prudential filter for exposures to central governments classified in the FVOCI category, Fully Loaded Own Funds amount to 1.759,3 million Euro and consequently the RWA when fully applied, come to 9.836,1 million Euro.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS WITHOUT IFRS 9 TRANSITIONAL ARRANGEMENTS (in thousands of Euro)	AMOUNTS	
	31.12.2024(1)	31.12.2023(2)
Common Equity Tier 1 (CET1) capital	1.561.703	1.518.451
Tier 1 capital	1.562.605	1.519.378
Total Own Funds	**1.759.318**	**1.786.278**
Total RWAs	**9.836.093**	**10.386.270**
CET1 Ratio	15,88%	14,62%
Tier 1 Ratio	15,89%	14,63%
Total Capital Ratio	**17,89%**	**17,20%**

(1) CET1, Tier 1 and Total Own Funds (Total Capital) at 31 December 2024 include the profits generated by the Banking Group at that date, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.
(2) CET1, Tier 1 and Total Own Funds (Total Capital) at 31 December 2023 include the profits generated by the Banking Group at that date, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

For the sake of comparison, it should be noted that until 31 December 2024, the Banca Ifis Group, at the consolidated level, is required to comply with the following capital requirements, as part of the Prudential Review and Evaluation Process (SREP):

- CET1 Ratio of 8,44%, with a required minimum of 5,50%;
- Tier 1 Ratio of 10,34%, with a required minimum of 7,40%;
- Total Capital Ratio of 12,74%, 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 also 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 9,44%, consisting of an OCR CET1 ratio of 8,44% and a target component (Pillar 2 Guidance) of 1,00%;
- Tier 1 Ratio of 11,34%, consisting of an OCR Tier 1 Ratio of 10,34% and a target component of 1,00%;
- Total Capital Ratio of 13,74%, consisting of an OCR Total Capital Ratio of 12,74% and a target component of 1,00%.

the Bank of Italy has decided to apply to all banks authorised in Italy a SyRB (Systemic Risk Buffer) equal to 1,00% of RWA for credit and counterparty risk to Italian residents[1] (the basis of calculation, therefore, is not the overall risk exposure, as for the capital conservation reserve or the countercyclical buffer). The target rate of 1,00% is to be achieved gradually by building up a reserve of 0,5% of material exposures by 31 December 2024 and the remaining 0,5% by 30 June 2025. The SyRB must be applied at the consolidated level for groups and at the individual level for non-group banks.

[1] The requirement must be calculated on the sum of exposures to residents of Italy in rows 170, column 90 of Corep Table C09.01 and 150, column 125 of Corep Table C09.02.

Below is a summary table of the requirements in force.

Overall Capital Requirement (OCR) 2024								Pillar 2 Guidance	Total
	Art. 92 CRR	SREP	TSCR	Combined requirement			OCR Ratio	P2G	OCR and P2G
				RCC (1)	Countercyclical buffer	Systemic risk			
CET1	4,50%	1,00%	5,50%	2,50%	0,04%	0,40%	8,44%	1,00%	9,44%
Tier 1	6,00%	1,40%	7,40%	2,50%	0,04%	0,40%	10,34%	1,00%	11,34%
Total Capital	8,00%	1,80%	9,80%	2,50%	0,04%	0,40%	12,74%	1,00%	13,74%

(1) RCC: capital conservation buffer.

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

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

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

MREL requirement	
Banca Ifis	Banca Credifarma
12,74% (1) of the Total Risk Exposure Amount (TREA)	8% of the Total Risk Exposure Amount (TREA)
4,47% of Leverage Ratio Exposure	3% of Leverage Ratio Exposure

(1) Alternatively, the MREL can be calculated by not deducting the combined buffer requirement from the numerator and calculating the floor by adding the following requirements: regulatory requirement under Art. 92, paragraph 1, letter c) Reg. 575/2013, amounting to 8%, SREP add-on requirement of 1,8%, and an add-on double the combined capital buffer requirement of 5,87% as of the reporting date. The minimum threshold added together is 15,67%.

At 31 December 2024, following the monitoring process, both indicators were easily met.

Group liquidity position and coefficients

During 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 December 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 700% and 100% respectively).

Reclassified income statements items

In relation to the acquisition of Revalea S.p.A. finalised on 31 October 2023 and its entry into the scope of consolidation (initially as a standalone company and thereafter as an incorporated company following the merger by incorporation of Revalea into Ifis Npl Investing in 2024), the income statement figures for FY 2024 may not be fully comparable with those 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, considering that it impacts the 2023 data for only 2 months (November and December) while for the 2024 data it is full (12 months).

For more details on this merger, refer to Part G "Business combinations" of the Notes to the Consolidated Financial Statements.

Formation of net banking income

Net banking income amounts to 699,2 million Euro, essentially in line with the figure of 704,6 million Euro as at 31 December 2023, thanks to the positive contribution of the other components of net banking income.

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

FORMATION OF NET BANKING INCOME (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	532.505	566.197	(33.692)	(6,0)%
Net commission income	91.775	98.221	(6.446)	(6,6)%
Other components of net banking income	74.872	40.198	34.674	86,3%
Net banking income	**699.152**	**704.616**	**(5.464)**	**(0,8)%**

Net interest income amounts to 532,5 million Euro, down from the figure at 31 December 2023, which stood at 566,2 million Euro, as the positive contributions of the Commercial & Corporate Banking Segment (+6,6 million Euro) were substantially offset by the stability of the Npl Segment and the reduction in net interest income from the Governance & Services and Non-Core Segment (-39,2 million Euro), which suffers both the physiological lesser contribution of a portfolio in run-off (-11,4 million Euro) and the higher cost of funding (-27,8 million Euro), linked to the redefinition of funding, driven by the redemption of the TLTRO facilities and their replacement with more onerous forms of funding.

Net commissions amount to 91,8 million Euro, a decrease of 6,4 million Euro compared to the figure at 31 December 2023, as the positive contribution of the Corporate Banking segment (+3,1 million Euro) of the Corporate Banking & Lending Area was more than offset by the lower contribution of the Governance & Services and Non-Core Segment (-1,3 million Euro), following the increase in commissions payable for retail funding, as well as the commissions paid by Revalea (acquired in October 2023 and merged into Ifis Npl Investing in 2024) to a third-party servicer. In particular:

- commission income, totalling 111,6 million Euro, in line with 31 December 2023, primarily refers to factoring commissions on the turnover generated by individual customers (with or without recourse, in a flat or monthly scheme), arrangement fees for structured finance transactions, leases, third-party servicing, as well as from other fees usually charged to customers for services;
- Commission expense is 19,8 million Euro, up 5,7 million Euro compared with the figure at 31 December 2023, in connection with the fees incurred as a result of the servicing agreements stipulated by the former Revalea, and largely refer 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 74,9 million Euro at 31 December 2024, up by 34,7 million Euro compared with the end of FY 2023. Below are details of the components:

- net gains from the sale/repurchase of financial assets and liabilities of 41,3 million Euro (+25,1 million Euro compared to net gains of 16,2 million Euro at 31 December 2023), mainly comprising 25,1 million Euro related to securities transactions in the proprietary portfolio mainly for the disposals of debt securities (vs 4,8 million Euro recorded in FY 2023), of which 12,3 million Euro related to bank debt securities and 12,8 million Euro relative to government securities and 16,1 million Euro from the disposals of loans in the Npl Segment (10,4 million Euro at 31 December 2023);
- net positive result of other financial assets and liabilities measured at fair value through profit or loss for 24,1 million Euro (up 10,9 million Euro compared with the figure at 31 December 2023), primarily represented by the net positive change in FY 2024 fair value of equity securities for 16,9 million Euro (which includes the capital gain on the sale for 6,2 million Euro of participating financial instruments obtained from a restructuring operation of the debt of a position in the Non-Core unit), up 10,3 million Euro compared with 31 December 2023, and UCITS fund units for 6,6 million Euro (+1,3 million Euro compared with 31 December 2023);
- dividends generated by shares in the Group's own portfolio in the amount of 12,5 million Euro (-3,6 million Euro compared to the figure for FY 2023);
- negative net result from trading activities of 1,9 million Euro as an improvement of 3,4 million Euro compared to the negative net result of 5,3 million Euro in FY 2023, mainly due to the better performance of trading derivatives (+2,4 million Euro compared to the balance at 31 December 2023);
- negative net result from hedging activities of 1,1 million Euro, a deterioration from the negative figure of 0,1 million Euro at 31 December 2023, which, however, is not an entirely comparable figure as hedging activities had only been in place since June 2023.

Formation of net profit (loss) from financial activities

The Group's net profit from financial activities totals 661,5 million Euro, an increase compared to 652,2 million Euro at 31 December 2023 (+1,4%).

FORMATION OF NET PROFIT (LOSS) FROM FINANCIAL ACTIVITIES (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**699.152**	**704.616**	**(5.464)**	**(0,8)%**
Net credit risk losses/reversals	(37.670)	(52.407)	14.737	(28,1)%
Net profit (loss) from financial activities	**661.482**	**652.209**	**9.273**	**1,4%**

Net credit risk losses total 37,7 million Euro at 31 December 2024, an improvement of 14,7 million Euro on the 52,4 million Euro at 31 December 2023.

Net adjustments in 2024 are influenced, amongst other aspects, by the full use of prudential adjustments (management overlay) booked during previous year resulting from "expert-based" assessments following the actual classification among impaired exposures of specifically identified positions. In addition, management overlays set aside during previous years to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macroeconomic expectations, were utilised against the deteriorating dynamics of the underlying portfolio clusters.

Further details of the different trends connected with the reclassified credit cost are given in the section "Contribution of operating Segments to Group results” of this Directors’ Report on the Group.

Formation of net profit for the year

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

FORMATION OF NET PROFIT (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net profit (loss) from financial activities	**661.482**	**652.209**	**9.273**	**1,4%**
Operating costs	**(406.916)**	**(394.648)**	**(12.268)**	**3,1%**
Charges related to the banking system	(8.136)	(11.193)	3.057	(27,3)%
Net allocations to provisions for risks and charges	(478)	(6.878)	6.400	(93,1)%
Non-recurring expenses and income	(610)	(2.919)	2.309	(79,1)%
Gains (losses) on disposal of investments	-	986	(986)	(100,0)%
Pre-tax profit from continuing operations	**245.342**	**237.557**	**7.785**	**3,3%**
Income taxes for the year relating to current operations	(82.168)	(75.641)	(6.527)	8,6%
Profit (loss) for the year	**163.174**	**161.916**	**1.258**	**0,8%**
(Profit) loss for the year attributable to non-controlling interests	(1.596)	(1.806)	210	(11,6)%
Profit (loss) for the year attributable to the Parent Company	**161.578**	**160.110**	**1.468**	**0,9%**

Operating costs total 406,9 million Euro, showing an increase on 31 December 2023 (+3,1%).

OPERATING COSTS (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Administrative expenses:	417.390	402.011	15.379	3,8%
a) personnel expenses	*169.852*	*163.802*	*6.050*	*3,7%*
b) other administrative expenses	*247.538*	*238.209*	*9.329*	*3,9%*
Net impairment losses/reversals on property, plant and equipment and intangible assets	23.276	17.706	5.570	31,5%
Other operating income/expenses	(33.750)	(25.069)	(8.681)	34,6%
Operating costs	**406.916**	**394.648**	**12.268**	**3,1%**

Personnel expenses, amounting to 169,9 million Euro, record an increase of 3,7%, 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 December 2024 is 2.013, up 3,8% compared to 1.940 resources at 31 December 2023) and on the other hand to the effects of the renewed National Collective Bargaining Agreement (NCBA).

Other administrative expenses at 31 December 2024 are 247,5 million Euro, up 9,3 million Euro on 31 December 2023. This change is mainly related to the sub-items "Legal and Consulting" and "Outsourcing Services" connected to the increase in the contribution of the former Revalea (merged into Ifis Npl Investing) for the year 2024 as last year it became part of the Group's scope as at 31 October 2023.

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

OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Expenses for professional services	**134.732**	**122.516**	**12.215**	**10,0%**
Legal and consulting services	92.898	87.106	5.792	6,6%
Fees to auditing firms	1.173	1.016	157	15,5%
Outsourced services	40.660	34.394	6.266	18,2%
Direct and indirect taxes	**37.448**	**40.141**	**(2.693)**	**(6,7)%**
Expenses for purchasing goods and other services	**75.359**	**75.552**	**(193)**	**(0,3)%**
Software assistance and hire	22.556	19.074	3.482	18,3%
Advertising and inserts	12.176	14.195	(2.019)	(14,2)%
Customer information expenses	8.019	12.404	(4.385)	(35,4)%
Property expenses	7.966	7.495	471	6,3%
Business travel and transfers	5.555	4.204	1.351	32,1%
Postage and archiving of documents	3.597	3.733	(136)	(3,6)%
Car fleet management and maintenance	3.556	3.247	309	9,5%
Telephone and data transmission expenses	3.342	3.160	182	5,8%
Securitisation costs	1.808	1.169	639	54,7%
Other sundry expenses	6.785	6.871	(86)	(1,3)%
Total other administrative expenses	**247.538**	**238.209**	**9.329**	**3,9%**

The sub-item “Expenses for professional services” is 134,7 million Euro at 31 December 2024, up by 12,2 million Euro compared with the figure at 31 December 2023 (+10,0%) and mainly consists of:

- costs for “Legal and consulting services”, which come to 92,9 million Euro in FY 2024, up 6,6% on the figure recorded for last year;
- costs for "Outsourced services", which amount to 40,7 million Euro at 31 December 2024, record an increase of 6,3 million Euro on the figure recorded for the previous year. The change is mainly attributable to the higher cost of Ifis Npl Investing's recovery activities (+10,3 million Euro), whose comparative figure for 2023 had benefited from the settlement of the effects of the change in the commission system and the contribution, limited to just two months, of the costs associated with the former Revalea (which joined the Group in October 2023).

“Direct and indirect taxes” come to 37,4 million Euro, a reduction on the figure at 31 December 2023, which was 40,1 million Euro (-6,7%). The item mainly consists of the registration tax incurred for the judicial recovery of receivables belonging to non-performing loans for an amount of 22,5 million Euro at 31 December 2024 (26,1 million Euro at the end of the previous year), and also includes costs for stamp duty for 13,7 million Euro (in line with the 31 December 2023 figure), the recharging of which to customers is included in the item "Other operating income".

The sub-item “Expenses for purchasing goods and other services” amounts to 75,4 million Euro, in line with 31 December 2023. The factors that mainly influence the result are:

- costs for “Software assistance and hire”, which amount to 22,6 million Euro and show an increase (+18,3%(compared with the figure at 31 December 2023;
- expenses for “Advertising and inserts”, which increase from 14,2 million Euro to 12,2 million Euro at December 2024 (-2,0 million Euro compared with 31 December 2023);

- "Customer information expenses”, which amount to 8,0 million Euro at 31 December 2024 and decrease by 4,4 million Euro compared to 31 December 2023, mainly due to lower costs incurred by the subsidiary Ifis Npl Investing, mainly due to the related Npl portfolio purchase timing;
- "Property expenses", which amount to 8,0 million Euro and increase by 6,3% compared to December 2023 (+0,5 million Euro), mainly as a result of higher supervision costs.

Net adjustments to property, plant and equipment and intangible assets at 31 December 2024 amount to 12,2 million Euro and 11,1 million Euro, respectively, and increase by 25,7% and 38,5%, respectively, compared to the figures for the previous year, as a result of the investments in property, plant and equipment and intangible assets made by the Banca Ifis Group during 2024 (for further details, refer to the description above in the section "Group reclassified financial and income results" under the heading "Intangible assets and property, plant and equipment").

Other net operating income, amounting to 33,8 million Euro as at 31 December 2024, increase by 8,7 million Euro (+34,6%) compared to the figure as at 31 December 2023, also as a result of expense recoveries from the former Revalea (merged into Ifis Npl Investing), which became part of the Group's perimeter in October 2023. The item refers mainly to revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations.

As a result of the dynamics outlined above, operating costs in December 2024 amount to 406,9 million Euro, up from the balance of 394,6 million Euro in December 2023.

At 31 December 2024, the item “Charges related to the banking system” amounts to 8,1 million Euro and represents the cost of the annual contribution to the Interbank Deposit Protection Fund (FITD), of which 7,9 million Euro relates to the Parent Company Banca Ifis and the remaining 0,2 million Euro to the subsidiary Banca Credifarma. The comparative balance at 31 December 2023, amounting to 11,2 million Euro, represents the cost of the annual contribution made to the Interbank Deposit Protection Fund (FITD) and the contribution under the accumulation plan of the Single Resolution Fund (SRF) made in FY 2023. As far as the SRF is concerned, nothing was required in terms of contributions at 31 December 2024, the savings plan target having been reached in 2023.

Net allocations to provisions for risks and charges at 31 December 2024 amount to 0,5 million Euro, while the balance at 31 December 2023 recorded net allocations to provisions made of 6,9 million Euro. FY 2024 performance was characterised by releases to be attributable to the Parent Company Banca Ifis for 9,1 million Euro relating to disputes connected to the former Aigis Banca (for 5,8 million Euro) and to the settlement of a dispute relating to the former Interbanca (for 3,3 million Euro), which were more than offset by provisions totalling 9,6 million Euro, of which 7,5 million Euro to cover risks related to outstanding disputes on tax credits for superbonus and other building tax bonuses (recognised in the balance sheet item "Other assets") and 1,6 million Euro mainly related to guarantees for indemnities in connection with a transaction involving the sale of a shareholding.

The item "Non-recurring expenses and income" shows a balance as at 31 December 2024 of 610 thousand Euro and refers to non-recurring operating costs pertaining to FY 2024 connected to the integration of Revalea within the Banca Ifis Group, including those relating to its merger by incorporation into Ifis Npl Investing which took place in 2024 (for more details see "Part G - Business combinations" of the Notes to the Consolidated Financial Statements). These costs are down from the comparative figure of 2,9 million Euro at 31 December 2023, which included ICT costs prior to the acquisition and costs directly linked to the operation then completed in October 2023.

Pre-tax profit from continuing operations amounts to 245,3 million Euro, up 3,3% compared to 31 December 2023.

Income tax at 31 December 2024 comes to 82,2 million Euro and the tax rate is 33,49%, up from the figure of 31,84% recorded at 31 December 2023 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 161,6 million Euro, up 1,5 million Euro on the 2023 figure.

Main risks and uncertainties

Taking into account the business carried out and the results achieved, the Group's financial position is proportionate to its needs. Indeed, the Group's financial policy is aimed at favouring funding stability and diversification rather than the immediate operating needs.

The main risks and uncertainties originated by the current conditions of the financial markets, deriving both from international tensions and the geo-political context observed, made even more uncertain by the outcome of the recent US elections, as of today do not present elements of particular criticality for the Group's financial equilibrium and in any case are considered such, from a prospective point of view, as not to generate doubts on the Group's ability to continue operating as a going concern.

Refer to Part E of the Notes to the Consolidated Financial Statements for information on the Banca Ifis Group's risks typical of the banking sector, as well as to what is set forth in the Directors' Report on the Group in the section "Business outlook".

Banca Ifis shares

The share price

The ordinary shares of Banca Ifis S.p.A. are listed on the STAR segment, and the bank is listed on the Ftse Italia Mid Cap index. The following table shows the share prices at the end of the year.

Official share price	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Share price at year-end	21,18	15,70	13,31	17,07	9,18

Price/book value

Below is the ratio of the share price at year-end and equity attributable to the Parent Company per share outstanding.

Price/book value	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Share price at year-end	21,18	15,70	13,31	17,07	9,18
Equity attributable to the Parent Company per share	32,95	32,01	30,24	29,85	28,50
Price/book value	**0,64**	**0,49**	**0,44**	**0,57**	**0,32**

The situation in terms of price/book value shows a value of less than per unit for all the years reported: in this regard, it should be noted that this is a structural situation for the Italian context in that the quotations show significant discounts for all Italian banks even with respect to tangible net worth.

Outstanding shares	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Number of shares outstanding at year end (in thousands)(1)	52.572	52.468	52.433	53.472	53.460

(1) Outstanding shares are net of treasury shares held in the portfolio.

Earnings per share and Price/Earnings

Here below is the earnings per share (EPS), namely the ratio of the profit for the period attributable to the Parent Company to the weighted average of the ordinary shares outstanding at year-end, net of treasury shares in portfolio. For more details, please refer to “Section 25 - Earnings per Share” in “Part C - Information on the Consolidated Income Statement” of the Notes to the Consolidated Financial Statements.

Earnings per share and diluted earnings per share	31.12.2024	31.12.2023
Net profit for the year attributable to the Parent Company (in thousands of Euro)	161.578	160.110
Average number of outstanding shares (1)	52.529.787	52.456.037
Average number of shares outstanding for diluted earnings per share purposes	53.383.843	52.567.897
Earnings per share (EPS)	**3,08**	**3,05**
Diluted earnings per share (EPS)	**3,03**	**3,05**

(1) Outstanding shares are net of treasury shares held in the portfolio.

Payout ratio

The Board of Directors of Banca Ifis will propose to the Shareholders' Meeting the distribution of a balance on the dividend for FY 2024 of 0,92 Euro (gross of withholding taxes) for each of the Banca Ifis shares issued and outstanding (and therefore excluding treasury shares held by the Bank). In November 2024, an interim dividend of

1,20 Euro per share had already been distributed for FY 2024. The total 2024 dividends (interim payment and balance) thus amount to 2,12 Euro per share, corresponding to a payout ratio of 69,0%.

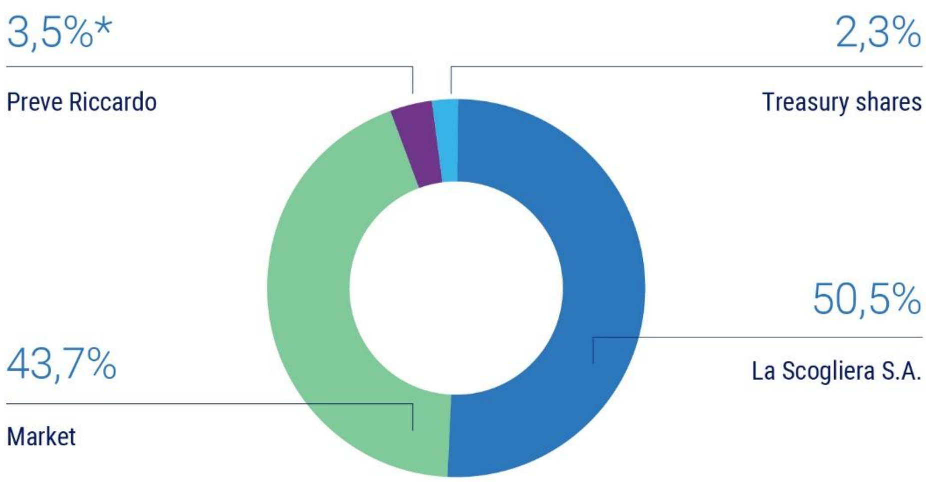
Payout ratio (in thousands of Euro)	2024	2023	2022	2021	2020
Net profit attributable to the Parent Company	161.578	160.110	141.086	100.582	68.804
Parent Company dividends (1)	111.450	110.240	73.418	49.811	25.132
Payout ratio (1)	**69,0%**	**68,9%**	**52,0%**	**49,5%**	**36,5%**

(1) The figures for FY 2024 comprise the total of 1,20 Euro per share distributed as an interim dividend in November 2024 and 0,92 Euro per share as a proposal for a final dividend for the FY 2024 prepared by the Board of Directors of Banca Ifis.

Shareholders

The share capital of the Parent company at 31 December 2024 amounts to 53.811.095 Euro and is broken down into 53.811.095 shares for a nominal amount of 1 Euro each.

Below are Banca Ifis's shareholders that, either directly or indirectly, own equity instruments with voting rights representing over 3% of Banca Ifis's share capital:



*Through himself for 0,38% and through Preve Costruzioni for 3,16%.

Corporate governance rules

Banca Ifis has adopted the Corporate Governance Code for listed companies. The Bank's Board of Directors has established the Control and Risk Committee, the Appointments Committee and the Remuneration Committee. The Board of Directors has also appointed a Supervisory Body with autonomous powers of initiative and control pursuant to Italian Legislative Decree No. 231/2001.

Internal dealing rules

Banca Ifis regulations on internal dealing are aligned with the relevant EU legislation (EU Regulation No. 596/2014, the Market Abuse Regulation) and aims to ensure the utmost transparency in the Bank's disclosures to the market.

The “Policy on transactions carried out by Relevant Persons and Persons Closely Related to them in shares, debt securities and related financial instruments issued by Banca Ifis S.p.A.” (Internal Dealing Policy) regulates:

- the requirements related to identifying the Relevant Persons and the so-called “closely related people”;

- the management of information relating to transactions exceeding the minimum amount threshold on units, credit securities or related instruments issued by Banca Ifis, carried out, directly or indirectly, by a Relevant Person or by a Closely Related Person and subject to notification obligations;
- the handling of closed periods, i.e. those periods during which the Relevant Persons must refrain from trading in shares or other debt instruments issued by Banca Ifis as well as financial instruments linked to them.

The Relevant Persons are:

- the members of the Board of Directors;
- the members of the Board of Statutory Auditors;
- managers regarded as "key managers", i.e:
    - Co-General Manager Chief Operating Officer (COO);
    - Co-General Manager Chief Commercial Officer (CCO);
    - Head of the Communication, Marketing, Public Affairs & Sustainability Department;
    - Chief of Staff and Chairman's Communication;
    - Chief Financial Officer (CFO);
    - Manager charged with preparing the Company's financial reports;
    - Chief Financial Officer (CLO);
    - Head of the Npl Department;
    - Head of Internal Audit;
    - Head of Compliance;
    - Chief Financial Officer (CRO);
    - Head of Anti-Money Laundering;
    - Director Human Resources;
    - General Counsel Manager;
    - Head of Investor Relations & Corporate Development;
    - CEO of Ifis Npl Servicing S.p.A.;
    - General Manager of Ifis Npl Servicing S.p.A.;
    - CEO of Banca Credifarma S.p.A.
- any person holding an interest, calculated pursuant to Article 118 of the Issuers' Regulation, equal to at least 10% of the share capital of Banca Ifis, represented by shares with voting rights as well as another individual who controls the Bank;
- additional persons identified as such, even for limited periods of time, by specific resolution of the Board of Directors of Banca Ifis.

Persons closely related to Relevant Persons are also subject to the Internal Dealing Policy.

This document is available on Banca Ifis's website, www.bancaifis.it, in the "Corporate Governance" Section, "Internal Dealing" sub-section.

Rules for the handling of inside information

Internal procedures for handling inside information and the list of individuals who have access to inside information are aligned with the Market Abuse Regulation.

In compliance with Article 115-bis of Italian Legislative Decree No. 58/1998, Banca Ifis has created a list of individuals who, in performing their professional and work duties or in carrying out their activity, have access to inside information (the list of insiders). Banca Ifis constantly updates this list.

In addition, the Group has adopted the "Group policy for the handling of inside information" in order to:

- prevent individuals who, based on their duties, have no reason to know such information from accessing it;
- identify the individuals who have access to such information at all times.

This policy also describes the process of handling inside information of third-party issuers, also with reference to the management of passive market surveys.

Significant events during the year

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.

Below is a summary of the most significant events that occurred during the year.

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

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

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

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

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

Issue of a 400 million Euro bond maturing in 5 years

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

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

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

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

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

- the Financial Statements as at 31 December 2023;
- the allocation of net profit, taking into account the exercise of the capitalisation option provided for by Article 26, paragraph 5-*bis* of Decree Law No. 104/2023 (converted with amendments by Law No. 136 of 9 October 2023), to the non-distributable reserve in the amount of 23.905.112 Euro (amount equal to two and a half times the tax calculated pursuant to the aforementioned Article 26 of Decree Law No. 104/2023);
- the distribution of a balance on the dividend for FY 2023 of 0,90 Euro, gross of withholding taxes, for each of the Banca Ifis shares issued and outstanding. This 2023 dividend balance was 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 in office, i.e. until the Shareholders' Meeting called to approve the financial statements for FY 2024.

Restructuring of the securitisation "Ifis ABCP Programme" of factoring receivables worth 1,15 billion Euro

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

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

This restructuring transaction did not have any impact on the Banca Ifis Group's economic and equity position.

1,5 billion Euro TLTRO lines repaid in 2024

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

It should be noted that, as early as the end of 2023, the Group put in place the managerial actions preparatory to the replacement of this funding component through senior bond issues, the increase of retail funding with a multi-channel strategy and targeted marketing campaigns as well as the restructuring of securitisation transactions on the Group's portfolios. As a result, these actions effectively changed the Group's funding structure, which at 31 December 2024 consists of 60,4% in amounts due to customers (49,2% at 31 December 2023), 12,4% in debt securities issued (23,0% at 31 December 2023) and 27,2% in payables due to banks (27,8% at 31 December 2023).

Distribution of a 2024 interim dividend of 63,1 million Euro (1,20 Euro per share)

On 7 November 2024, the Banca Ifis Board of Directors resolved to distribute an interim dividend for 2024 totalling 63.083.736,00 Euro, i.e. equal to 1,20 Euro (gross of withholding taxes) for each of the 52.569.780 Banca Ifis shares issued and outstanding as of such date (and therefore excluding treasury shares held by the Bank). The interim dividend 2024 was paid with ex-dividend date 18 November 2024, record date of 19 November and payment date of 20 November 2024. The report by the Board of Directors and the accounting statement at 30 September 2024 pursuant to Article 2433-bis of the Italian Civil Code, on the basis of which the Board of Directors of Banca Ifis resolved to distribute the interim dividend and included in the Interim Report as at 30 September 2024 - are made available to the public at the Bank's registered office, as well as on the authorised storage mechanism and on the Bank's institutional website, www.bancaifis.it, in the "Investor Relations & Corporate Development" section. Lastly, for the purposes of the distribution of the interim dividend, on 7 November 2024, the independent auditing firm PricewaterhouseCoopers S.p.A. issued the opinion required by Article 2433-bis of the Italian Civil Code, which has been made available to shareholders at the Bank's registered office.

Merger by incorporation of Revalea into Ifis Npl Investing

On 11 November 2024, the merger by incorporation of Revalea S.p.A. into Ifis Npl Investing S.p.A. became effective, with effect for accounting and tax purposes backdated to 1 January 2024. The integration represents the completion of the project started with the acquisition of Revalea in October 2023, and is part of the initiatives of the 2022-2024 Business Plan aimed at further simplifying and specialising the organisational structure of the

Banca Ifis Group and, in particular, that of the Npl Segment. For more details on this merger, refer to Part G "Business combinations" of the Notes to the Consolidated Financial Statements.

Subsequent events

Voluntary takeover and exchange offer for all shares of illimity Bank submitted

On 7 January 2025, the Board of Directors of Banca Ifis approved the promotion of a voluntary takeover and exchange offer on all shares of illimity Bank. The offer was disclosed to the market on 8 January 2025 by means of a notice circulated pursuant to Article 102, paragraph 1 of Legislative Decree No. 58/98 (the 'TUF') and Article 37 of the regulations adopted by CONSOB Resolution No. 11971/99 (the 'Issuers' Regulations'). The offer, which is conditional upon obtaining the relevant regulatory authorisations and the fulfilment of the established conditions, is aimed at the acquisition by Banca Ifis of 100% ownership of the shares of illimity Bank listed on Euronext Milan, Euronext STAR Milan Segment. In particular, Banca Ifis has proposed that for each share of illimity Bank tendered to the offer, a consideration expressing a unit valuation of 3,55 Euro, based on the official price of Banca Ifis shares on 7 January 2025, will be paid. This consideration is composed of:

- 0,1 newly issued shares of Banca Ifis for each share of illimity Bank and
- a cash component of 1,414 Euro.

On 27 January 2025, Banca Ifis filed with Consob the offer document pursuant to Articles 102 and 106, paragraph 4 of the Consolidated Law on Finance concerning the entirety of the ordinary shares of illimity Bank. Furthermore, Banca Ifis announced that it has submitted to the competent Authorities the applications and/or communications to obtain the authorisations required under the regulations applicable to the offer, pursuant to and in accordance with Article 102, paragraph 4, of the TUF and Article 37-ter, paragraph 1, letter b), of the Issuers' Regulations.

If the offer is successful, the transaction, which envisages the subsequent merger by incorporation of illimity Bank into Banca Ifis, may enable the Banca Ifis Group to accelerate its growth path and consolidate its leadership in the Italian speciality finance market, expanding its SME customer base, entering new businesses and segments, and maintaining its leadership in Npls.

Information on international tensions

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

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

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

Business outlook

In 2024, Banca Ifis reported a profit attributable to the Parent Company of 162 million Euro, confirming its strong economic, equity and financial profile. In these three years, Banca Ifis has successfully completed the 2022-2024 Business Plan, exceeding all its financial targets and moving increasingly towards digitalisation and sustainability. The cumulative profit achieved over the three-year period was 463 million Euro, 12% above the Plan targets. Shareholder remuneration, through the new dividend policy approved in 2023 and the distribution of constant dividends, allows for a payout ratio of around 70%. These results were achieved while keeping the Group's solid capital base intact, with a CET1 of 16,1%, some 100 basis points above the Plan target of 15,1%.

The macroeconomic scenario for FY 2025 is less favourable for the Italian banking sector. Demand for credit from businesses remains modest and companies have adequate long-term financing in an environment of moderate economic growth. The Banca Ifis Group remains focused on profitability and in 2024 loan growth was above the market average with average spreads increasing compared to the previous year.

In 2025, the European Central Bank is expected to further reduce interest rates. In this context, the Group reduced its sensitivity to interest rate reductions by increasing the duration of its securities portfolio and increased fixed-rate disbursements, especially in the Leasing Area.

There were some signs of deterioration in asset quality, concentrated in specific sectors. In this context, the Group increased its coverage of specific exposures. However, the Group's asset quality risk is mitigated by diversification across sectors and companies, short-term loans and careful collateral management.

The Npl Segment shows more challenging market dynamics, highlighting a limited supply of Npls for purchase and increased competition on sales processes. Following the acquisition of Revalea in October 2023, Banca Ifis met the Npl acquisition targets of the 2022-2024 Business Plan and adopted a more selective approach to new Npl acquisitions, focusing on the recovery of the existing Npl stock.

The Banca Ifis Group closely monitors market risks and opportunities and also expects to offer attractive remuneration for its shareholders in 2025, assuming no significant deterioration in the macroeconomic and geopolitical environment.

Performance of the Group's main companies

The following is a summary of the main equity investments in Group companies with evidence of the most significant balance sheet, income statement and operating data referring to 31 December 2024.

With regard to the parent company Banca Ifis, reference is made to the '2024 Report and Financial Statements' of Banca Ifis included in this publication.

Ifis Npl Investing

The 2024 figures also include the contribution of Revalea S.p.A., which was acquired by Mediobanca Group on 31 October 2023 and merged into Ifis Npl Investing during 2024.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Total assets	1.689.156	1.682.651	6.505	0,4%
Receivables due from customers measured at amortised cost	1.512.263	1.423.626	88.637	6,2%
Equity	560.767	548.106	12.661	2,3%

INCOME STATEMENT DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Net banking income	116.290	104.257	12.033	11,5%
Net credit risk losses/reversals	130.477	130.949	(472)	(0,4)%
Operating costs	(132.989)	(134.561)	1.572	(1,2)%
Profit (loss) for the year	75.620	66.924	8.696	13,0%

The changes in assets between the end of 2024 and the end of 2023 are mainly due to the contribution of the former Revalea following the merger.

As far as the income statement figures are concerned, Ifis Npl Investing posted a net profit of 75,6 million Euro as at 31 December 2024, an increase of 12,9% compared to the figure of 66,9 million Euro as at 31 December 2023, also due to the contribution of the former Revalea. In particular, growth is driven by net interest banking income, up 12,0 million Euro (+11,5%) year-on-year, thanks to higher interest income at amortised cost (+14,7 million Euro), which more than offset increases in the cost of funding and commission expenses (which in 2024 also include, as a result of the merger, the commissions incurred for the management of the former Revalea's portfolio paid to a third-party servicer).

Against these trends in net banking income, there was substantial stability in the credit cost and operating costs, despite the presence of Revalea's contribution in the 2024 figures. The reason stems mainly from the fact that the 2023 operating cost figure included significant non-recurring costs incurred by Ifis Npl Investing for the acquisition and integration of Revalea, which was merged in 2024. Specifically, these costs amounted to 9,8 million Euro in 2023, compared to 0,5 million Euro for 2024.

Banca Credifarma

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Total assets	719.482	719.658	(176)	0,0%
Receivables due from customers measured at amortised cost	698.870	684.711	14.159	2,1%
Equity	129.154	116.130	13.024	11,2%

INCOME STATEMENT DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Net banking income	36.734	34.296	2.438	7,1%
Net credit risk losses/reversals	(1.404)	994	(2.398)	n.s.
Operating costs	(15.593)	(14.283)	(1.310)	9,2%
Profit (loss) for the year	13.020	14.730	(1.710)	(11,6)%

As at 31 December 2024, Banca Credifarma reported a net profit of 13,0 million Euro, compared to 14,7 million Euro recorded in 2023 (-11,6%), a year in which, however, non-recurring write-backs for the collection of non-performing loans in the amount of 1,7 million Euro and the capital gain from the sale of a property owned by the Bank in the amount of 1,0 million Euro were recognised.

Net banking income totals 36,7 million Euro, up 7,1% from 2023, mainly thanks to the contribution made by net interest income, which increases by 9,2%, coming to 31,1 million Euro. The increase in interest income of 8,6% compared to 2023, mainly due to the increase in interest on mortgages, offset the parallel increase in interest expenses, which accrued on deposits from other banks, the Emma securitisation programme and customer current accounts.

Net credit risk losses on loans amount to 1,4 million Euro as at 31 December 2024 and increase compared to the previous year's figure, when net write-backs of 1,0 million Euro were recorded, mainly generated by significant collections of non-performing and probable default positions.

Operating costs amount to 15,6 million Euro, an increase of 9,2% compared to the figure of 14,3 million Euro in 2023, mainly due to higher personnel costs (7,3 million Euro in 2024 compared to 6,7 million Euro in 2023).

As a result of these dynamics at the level of an increase in net banking income, more than offset by the increase in credit cost and the increase in operating costs, Banca Credifarma's 2024 profit worsens by 1,7 million Euro compared to the 2023 figure.

Sustainability Statement

It has always been in the DNA of Banca Ifis to generate value for all stakeholders. This objective is translated into an integrated approach of sustainability in the Group's strategic and operational framework, according to a double bottom line approach inspired by the Chair. Thanks to the three-year D.O.E.S. business plan, the Bank's sustainable transformation was translated into concrete initiatives on all E-S-G dimensions, which enabled it to achieve important results, which are detailed and described in the Group's Sustainability Statement.

During 2024, the commitments set out in the D.O.E.S. plan were brought to fruition, with an approach aimed at generating a tangible impact for the benefit of companies, the territory and people, thanks to a comprehensive plan in line with the UN 2030 Agenda and the 17 Sustainable Development Goals.

Aware that ESG topics can represent important growth opportunities, the Group has integrated them into its business through financial products and services to support SMEs in their sustainable transition path. Sustainability is also a prerequisite for our business model with regard to the recovery of impaired loans, in the knowledge that recovery activities can represent an opportunity for financial re-inclusion. This belief gave rise to an ambitious project in the Npl sector, which aims to strengthen the concept of 'social banking' by defining initiatives to ensure a sustainable approach, as described in more detail in the document.

Starting from the experience accumulated over the years through the Consolidated Non-Financial Statement, this Sustainability Statement responds to the new regulatory requirements launched at a European level in the field of ESG disclosure, representing not just mere reporting but an opportunity to represent the Group's sustainability strategy to stakeholders, highlighting actions, metrics and objectives linked to the most relevant sustainability topics.

With regard to the environment, the Group's commitment to reducing the indirect impacts of its financing activities continued, with objectives to decarbonise its loan portfolio, as well as a particular focus on limiting energy consumption, sourcing energy from renewable sources and adopting the highest international standards (such as LEED certification) for the optimisation of the Group's real estate assets. As a partner for SME customers, the Group continued to work on expanding its range of products designed for sustainable mobility and energy transition, such as Ifis Leasing Green leasing products, including the leasing and rental of photovoltaic panels, charging stations and hybrid and electric cars.

With reference to social issues, which have always been a distinctive element of the Group ever since the launch of Kaleidos, the Social Impact Lab set up in 2022 on the impetus of the Chair, the three-year plan period allowed the full deployment of Banca Ifis's strategic vision: more than 40 projects with a high social impact were developed with a commitment of 7 million Euro, up from the 6 million Euro originally envisaged in the plan. This was flanked by the impact measurement model prepared in collaboration with the Polytechnic University of Milan, which makes it possible to objectively quantify the social impact generated on the communities and people benefiting from the initiatives developed. The results of the measurement showed that, on average, every Euro invested by Banca Ifis in initiatives supporting the territory generated more than five Euro of social value for the general public. Commitment in the social sphere has also been substantiated with greater integration in the business, with the aforementioned 'Social Banking Npl' project, and with the launch of a leasing and rental product for healthcare devices dedicated to Southern Italy to support personal well-being and raise awareness of health and scientific research issues, with a particular focus on the most disadvantaged areas of the country. This commitment is also reflected in an articulated plan in favour of employees and in the area of diversity, fairness and inclusion: after obtaining the Winning Women Institute certification as the first financial institution in Italy, the Group's positioning was confirmed by the certification according to the UNI PdR 125:2022 standard.

Also in the social sphere, the commitment to the art world was strengthened in 2024, through Ifis art, a project that brings together all the initiatives carried out by the Bank to promote art, culture, contemporary creativity and their values: from the corporate collection to the International Sculpture Park, to the project to recover Banksy's work and restore the Palazzo San Pantalon that houses it.

Aspects of good governance underpin the Group's activities, not only with reference to elements of regulatory compliance and integrity and ethics, but also with a focus on transparency towards stakeholders, as evidenced by the depth and comprehensiveness of the Sustainability Statement and further voluntary disclosure efforts aligned to international standards of reference, such as the TCFD report, now in its second edition in 2024.

The Group's commitment, recognised by all stakeholders, has led to important accolades, such as the award as the best ESG programme in Europe in the Small-Mid Cap segment, assigned by the independent research company Extel Institutional Investors, and the upgrade to 'AA' of the ESG rating assigned by MSCI, which includes Banca Ifis among the leaders in the sector.

With the transposition of Directive (EU) 2022/2464, known as the Corporate Sustainability Reporting Directive (CSRD), Legislative Decree No. 125 of 6 September 2024 introduced into Italian law the obligation for several categories of companies, including large public interest companies, to draw up an annual sustainability statement. This reporting must comply with the standards set by the European Financial Reporting Advisory Group (EFRAG) and the requirements of other applicable European regulations, such as EU Regulations 2088/2019 and 852/2020.

Banca Ifis S.p.A., a public interest entity that meets the required size criteria, will publish - as of financial year 2024 - a Consolidated Sustainability Statement in line with the provisions of Legislative Decree no. 125/24. This requires a dual approach, considering both the impacts of the company on society and the environment (inside-out perspective) and how sustainability factors affect the company itself (outside-in perspective).

The data and information collection process was carried out in cooperation with the different business functions according to the principles of relevance, faithful representation, comparability, verifiability and comprehensibility, as recommended by EFRAG's ESRS (see ESRS 1, section 2).

This process is a key step towards increasing corporate transparency and integrated sustainability management in the Bank's operations, in line with the Group's strategy, the UN 2030 Agenda, the goals of the Paris Agreement and the transition to a sustainable economy.

Consultation guide

1. General disclosures

1.1 ESRS 2 - General disclosures

1.1.1 Basis for preparation

Consolidation scope

[BP-1 DP 5a,bi,bii]

The Sustainability Statement has been prepared at a consolidated level by the Parent Company Banca Ifis S.p.A. and includes all companies consolidated on a line-by-line basis in the Consolidated Financial Statements with reference to the reporting period between 1 January 2024 and 31 December 2024.

More specifically, the following entities are included in the reporting[2]:

- Ifis Finance Sp. z o.o.
- Ifis Rental Services S.r.l.
- Ifis Npl Investing S.p.A.
- Cap.Ital.Fin. S.p.A.
- Ifis Npl Servicing S.p.A.
- Ifis Finance I.F.N. S.A.
- Banca Credifarma S.p.A.

The scope of the Sustainability Statement coincides with the scope of financial reporting, ensuring consistency and comparability between the non-financial and financial information reported in the Consolidated Financial Statements[3].

[BP-1 DP 5c]

The information contained in the Sustainability Statement includes the significant impacts, risks and opportunities (hereinafter also referred to as “IROs”) associated with Banca Ifis that emerged as material from the double materiality assessment, which cover both its own operations and direct and indirect business relationships along the value chain. With reference to the latter, this information mainly concerns, upstream, the suppliers involved in the development of the Group's products and services and, downstream, the customers reached through business relations.

For more details on the materiality assessment, please refer to the section "double materiality assessment" (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double materiality assessment, IRO-1 DP 53). Information on the coverage of policies, actions, targets and metrics, as well as data on the value chain, are set out in the different thematic chapters of the document.

[BP-1 DP 5d]

The Group has decided not to make use of the option to omit information on intellectual property, know-how or innovation results.

---

2 It should be noted that there are no subsidiaries of Banca Ifis, which are subject to the scope of application of Legislative Decree 125/2024 on an individual basis. It is specified that no operational control was identified for any of the companies consolidated using the equity method (Justlex and Redacta). These companies were considered as value chain players by virtue of their existing business relationship with the Group and included in the reporting of indirect Scope 3 emissions. Specifically, the materiality assessment conducted on the Scope 3 categories revealed the predominance of the supply component over the investment component of the Justlex and Redacta companies; therefore, these companies were placed in Scope 3 category 1.

3 It should be noted that due to the residual size of the Group's activities for Romania and Poland (employees <2%), the policies and actions described refer to Italy, except where specified.

Disclosures in relation to specific circumstances

[BP-2 DP 9a,b]

In accordance with the definitions of "time horizons" for reporting purposes under the EFRAG ESRS, the Banca Ifis Group adopts the following time intervals:

- short-term time horizon: corresponding to the period adopted as the reference period for its financial statements, i.e. one year;
- medium-term time horizon: up to five years from the end of the short-term reference period;
- long-term time horizon: beyond five years.

[BP-2 DP 10a]

The Group analyses and reports data on the value chain, upstream and downstream, in order to meet the E1-6 reporting requirements “Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions”, reviewing the mapped and reported categories periodically.

[BP-2 DP 10b]

In particular, with reference to Scope 3 emissions, the categories included in the scope of reporting are: no. 1 "Purchased goods and services", no. 6 "Business travel" and no. 15 "Investments" identified by the GHG Protocol. For category no. 1, issues arising from purchasing expenses related to lawyers and consultants, auditing firms, outsourcing services, customer information expenses, software support and rental, telephone and data transmission expenses, advertising and advertisements, document postage and archiving, and other miscellaneous expenses are reported. These emissions were calculated using the GHG Protocol's Spend-Based Method using emission factors provided by Eurostat based on the NACE economic activities contained in the Environmental Extended Input Output (EEIO). For category no. 6, emissions related to employee business travel, including air travel, train travel, car rental and other means of transport, calculated on the basis of data provided by ticketing service providers and related emission factors, are considered for Italian locations; for foreign locations, emissions were calculated by applying the 'Spend-Based' methodology. Finally, for category no. 15, funded issues from the investment portfolio are reported, calculated using internal sector proxies and derived from consolidated databases such as the Bank of Italy, European Environmental Agency and Bloomberg.

[BP-2 DP 10c]

The accuracy of the metrics calculated using sectoral proxies is ensured by the authoritative sources used at national, European or international level: as previously mentioned, the Environmental Extended Input Output (EEIO) emission factors provided by Eurostat with reference to category 1 emissions, the Bank of Italy and the European Environmental Agency with reference to category 15 emissions were considered.

Despite the adoption of 'reasonable efforts' in accordance with the regulations when compiling sustainability data, it was not possible to use data derived from primary sources for Scope 3 category 1 and category 15. This is due to several factors, including the complexity of the value chain, characterised by the presence of numerous players, the lack of sector-specific standards, the limited use of IT tools for the direct collection of data and information, as well as the significant presence of small and medium-sized enterprises (SMEs) within the Group's customer base, which have limited capabilities in monitoring and reporting sustainability data.

[BP-2 DP 10d]

Banca Ifis aims to ensure increasingly accurate reporting, fostering, where possible, the use of timely data over estimates, in accordance with market best practice.

[BP-2 DP 11a]

To this end, the Bank has adopted an IT platform as a centralised tool for the collection and processing of monetary amounts and quantitative metrics reported by the various business functions, defining a structured approach to ensure the accuracy, consistency and reliability of the reported information, while reducing levels of measurement uncertainty. Consequently, there are no causes of uncertainty in the estimates used and the results produced.

1.1.2 Strategy

[SBM-1 DP 42]

Banca Ifis was founded in 1983 as a specialised factoring operator. Today, the Bank and the Group support businesses, particularly SMEs, with specialised credit solutions: factoring, leasing, medium/long-term loans and corporate & investment banking.

Over the years, the Group has also become one of the leading specialised players in the Italian impaired loans sector with a proprietary portfolio of 21,6 billion Euro (GBV) as at 31/12/2024. In addition, it has a division entirely dedicated to the management and financing of tax credits through advances and boasts a significant presence in pharmacy finance through Banca Credifarma, which was created through the merger by incorporation of Credifarma into Farbanca on 11 April 2022.

These corporate activities are flanked by services for retail customers, with the Rendimax Deposit Account, an on-line deposit account for family and business savings, and the Rendimax Current Account. Since 2018, the Group operates in consumer credit with Cap.Ital.Fin. S.p.A., a financial intermediation company specialised in salary- and pension-backed loans, also in payment delegations.

The Group operates in the Italian banking scene, a significant market for Banca Ifis, as an active player in speciality finance and abroad, with a focus on Eastern Europe where Ifis Finance Sp. z.o.o. in Poland and Ifis Finance I.F.N. S.A. are present in Poland and Romania, respectively.

The number of employees by geographical area is shown below:

[SBM-1 DP 40aiii]

Geographical area	Number of employees (headcount)
Italy	1.983
Poland	14
Romania	16
Total employees	2.013

[SBM-1 DP 40a,ai,aii,e,g]

The 2022-2024 D.O.E.S (Digital, Open, Efficient, Sustainable) Business Plan defined the Group's strategic priorities for the three-year period. Its objectives include increasing industrial profit, strengthening the competitive positioning and creating value for all stakeholders. The plan is based on four pillars: digitisation, openness to partnerships, efficiency and sustainability. The 'S - Sustainable' pillar is dedicated to the description of strategic elements that relate to sustainability issues, concretely translated into objectives under the three main headings of environmental, social and governance (ESG).

Concrete initiatives include offering solutions for sustainable mobility and energy efficiency for SMEs, through subsidised loans and scoring tools to assess customers' ESG performance. At the same time, with reference to the Npl (non-performing loans) business, a project was implemented to create a sustainable collection model[4] whose ultimate goal is the financial re-inclusion of households and businesses.

4 Banca Ifis operates in the field of impaired loan recovery with an approach based on dialogue and transparency, interpreting its recovery action as an opportunity for financial re-inclusion, consistent with the double bottom line approach promoted by the Chairman and his focus on sustainability.

[SBM-1 DP 40f]

Therefore, with reference to the Group's main businesses, the plan sets out the aim of supporting the sustainable transition of its SME customers, through dedicated products and services, and to strengthen the sustainable debt collection model. The Group's products and services related to sustainability matters are described in detail in the chapter on the Transition Plan (see 2.2 ESRS E1 - Climate Change, section 2.2.1 Transition Plan, DP 16b).

In addition, the Group's attention to sustainability will be further strengthened in the future Business Plan.

[SBM-1 DP 42a]

On the basis of the business model described above and the corporate structure as at 31 December 2024, the Group collects data on its operating perimeter and value chain in a centralised manner through information flows from the companies to the parent company, Banca Ifis, which analyses and develops them, with the aim of identifying significant IROs and possible relationships between the various elements of the value chain, periodically producing reports and documentation useful to internal and external stakeholders.

[SBM-1 DP 42,c]

As regards the various elements of the Banca Ifis value chain, it is structured into a network of upstream counterparts, including suppliers, business partners, banks and investors, and downstream counterparts, including customers, employees, foundations and distributor partners, with the aim of offering targeted financial solutions and supporting the economic and social fabric.

In particular, the upstream value chain consists of all the resources and activities that enable the Group to deliver its products and services:

- suppliers play a key role by providing strategic consulting services to support business innovation and digitisation, as well as goods and services essential to the Group's operational functioning. These also include information providers, which offer data and analysis crucial for credit assessment, risk management and decision-making support. A further crucial contribution comes from legal activity services, which ensure regulatory compliance and provide assistance in handling disputes.
- business partners are mainly represented by suppliers of capital goods and motor vehicles. These entities support leasing and financing operations by providing the Group with machinery, equipment and vehicles necessary for the pursuit of financial activities aimed at companies and individuals.
- partner banks assume a strategic role in supporting Banca Ifis in the management of impaired loans through co-investment and joint asset management transactions.
- investors, finally, represent an important source of capital for the Bank. These include institutional investors, such as funds and insurance companies, who contribute to the financial strength and growth of the Group's operations.

Simultaneously, the Group's downstream value chain includes the distribution and delivery of services to end users:

- distributor partners, including brokers and agents, play an essential role in the dissemination of the Bank's financial products and services, facilitating the matching of supply and demand for credit and leasing solutions, as well as operating in the management of impaired loans.
- customers represent the central point in the downstream value chain. Banca Ifis's customers are both private individuals and companies, who benefit from a wide range of financial solutions, including leasing, factoring, loans and credit management tools, tailored to their specific needs.
- Finally, Banca Ifis actively supports foundations and the third sector, working with non-profit and non-profit organisations to promote sustainable economic development initiatives and projects with a social purpose.

The integration of upstream and downstream activities supports the Group's own operations, enabling it to offer innovative solutions, manage risks effectively and support long-term economic and social growth.

[SBM-1 DP 42b]

In addition, the mapping of the value chain involved the identification and evaluation of activities and processes through which the Bank generates value, which are set out below.

Supporting SMEs has always been in the DNA of the Group, which sees itself as “a company that banks”. With this in mind, the focus is on entrepreneurs with the aim of responding to their needs with a diversified and structured Commercial and Corporate Banking offering, including factoring, financial leasing and operating leases, advisory services for corporate acquisitions, M&A and medium- and long-term financing, tax credit purchases, Investment Banking and Special Situations. In the Npl segment, the value generated is hinged on the combination of the capacity to acquire and transform bad loans, offering families and businesses the possibility of agreeing on and managing sustainable repayment plans. In particular, recovery activities are interpreted with a view to the financial re-inclusion of families and businesses, with a substantial focus not only on compliance with applicable regulations and self-regulatory codes, but also with specific processes aimed at meeting the needs of debtor clients.

In addition to its ordinary business of factoring, leasing and financing to support businesses, in 2024 the Bank continued to assist SMEs - both customers and non-customers - by offering opportunities for products combined with public subsidies to support investments and working capital, such as financial leasing associated with the Nuova Sabatini facility, financial leasing assisted by the SME Guarantee Fund, financing assisted by the SME Guarantee Fund, factoring with recourse assisted by the SME Guarantee Fund and financing assisted by the SupportItalia SACE guarantee.

Finally, starting 2019, the Bank has launched a series of products and services that can improve the quality of life of customers and stakeholders. The project, called 'Ifis Green', takes the form of an innovative financial offer ranging from products dedicated to sustainable mobility to products dedicated to energy transition. The main initiatives implemented by the Ifis Group include:

- Ifis Leasing Green, aimed at promoting sustainable mobility by offering hybrid and electric cars;
- e-bike rental dedicated to small hirers and tourism operators;
- leasing products related to the energy transition of SMEs, the leasing of photovoltaic systems and charging stations and columns;
- the conduct of regular analyses, in concert with the business structures, to identify additional customer financing opportunities to support the sustainable transition.

Alongside these, the Group has further strengthened its social commitment with a new product designed to reduce the gap between Northern and Southern Italy in health and medical care. In particular, the Bank has set up a series of partnerships with leading medical equipment distributors that form the basis of a new leasing and rental product entirely dedicated to pharmacies, healthcare operators and medical centres in six Italian regions: Calabria, Campania, Apulia, Sardinia, Sicily and Molise. The service consists of diagnostics, prevention and treatment. The new tool reinforces the Group's commitment to supporting personal well-being and raising awareness of health and scientific research topics. To do so, the Bank has entered into partnerships that allow priority access to medical devices and has defined a subsidised price for the cost of leasing and renting per medical instrument.

Understanding the interaction between capital, strategic pillars and the company's business model is essential to develop a sustainable value creation process over time. This requires the ability to intercept changes in the external environment, including the evolving needs of stakeholders, in order to respond effectively, generate value and strengthen the organisation's resilience.

Constant monitoring of market trends, with particular attention to the main macroeconomic, industrial and regulatory dynamics, as well as to the changing needs of stakeholders, allows us to manage risks and seize opportunities, maximising the value generated through the strategy adopted. Actively listening to stakeholders plays a crucial role in this process: understanding their expectations guides informed choices, improving product offerings and contributing to people's financial well-being and quality of life.

The Group's objective is to support customers and stakeholders in addressing social and environmental challenges, supporting their investments and ensuring financial strength.

Interests and views of stakeholders

[SBM-2 DP 45aiv,b]

Transparency and dialogue have always been the hallmarks of Banca Ifis Group’s approach to communication. Through constant interaction with customers, investors, shareholders and employees, the Group is able to understand and respond to diverse needs. This is pursued through a variety of tools and initiatives, such as customer focus through social networks, company websites, projects and events. In addition, the Group is committed to optimising its communication actions, with the aim of offering the best experience to its stakeholders and ensuring timely responses to questions and enquiries. These activities are aimed, on the one hand, at monitoring corporate reputation also through dedicated platforms and, on the other hand, at integrating any considerations arising from stakeholder involvement into the Group's strategy and activities.

One concrete example is the involvement of relevant internal and external stakeholders in the double materiality assessment through the assessment of the Bank's impacts, risks and opportunities. As detailed in the dedicated section (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double materiality assessment), Banca Ifis has adopted a structured approach that includes the involvement of stakeholders, articulated in three phases, paying particular attention to those most closely connected to the business model and strategy through training sessions, interviews and dedicated focus groups, aimed at gathering feedback and considerations that are also useful from a strategic perspective.

The process started with the active involvement of several strategic internal functions in order to ensure a thorough analysis of impacts, risks and opportunities (IROs). Subsequently, an external survey was conducted to collect feedback from external stakeholders, expanding and strengthening the internal evaluation. Finally, top management provided an overall strategic vision, consolidated the analyses and defined the final evaluations.

[SBM-2 DP 45aiv,av]

The results of this assessment allowed for the definition of material issues for the Bank from both an impact and financial materiality perspective, both on its own operations and on the value chain.

[SBM-2 DP 45d]

The entire process and its results have been brought to the attention and approval of the Sustainability Committee, the Risk and Control Committee and the Board of Directors in order to keep these bodies informed of the perspectives of the Group's stakeholders.

[SBM-2 DP 45aiii]

Maintaining a relationship and dialogue with the financial market is also a strategic component for the Group. This is why the Parent Company’s Investor Relations & Corporate Development Department maintains relationships with shareholders and investors, guided by the principles of fairness, transparency, collaboration, and absolute respect for the independence of their respective roles.

[SBM-2 DP 45ai]

In addition to shareholders and investors, the Group's main stakeholder categories also include employees, customers, local communities, agents, institutions, industry associations, the media and suppliers.

[SBM-2 DP 45aiii]

The Parent Company's Communication, Marketing, Public Affairs & Sustainability Department manages and coordinates the dialogue and involvement of the above-mentioned stakeholders, through the most appropriate channels and methods, chosen from time to time on the basis of needs. Furthermore, with particular reference to customers, their involvement was managed in cooperation with other parent company departments such as Marketing & Business Strategy.

[SBM-2 DP 45a,aii]

Specifically, the different engagement activities that were developed with key stakeholders are outlined below:

Stakeholder category	Engagement activity
Employees	• corporate intranet with dedicated preparation and editorial plan; • internal storytelling with news dedicated to the Bank's internal initiatives; • internal live streaming (Ifis Cappuccino, Ifis Talks); • initiatives to involve employees in events and activities linked to donations and sponsorships with the aim of involving them in the areas of value for the Bank and themselves; • deployment of sports activities: promotion and brokering of registrations for inter-bank sports events; • Good Morning Ifis and Good Evening Ifis: sending press reviews of daily information; • internal newsletters; • the Linkedin Ambassador Project; • the organisation of internal contests on the company intranet, held on the occasion of sponsorships/international days/internal initiatives.
Customers	• surveys aimed at collecting feedback on study and research activities as well as on customer platforms (myIfis); • events related to innovation, change and the relationship, also connected with the presentation of the results of analyses conducted by the Research Department; • social channels in which the timeliness of response is assured in every channel; • customer care web and social; • involvement of stakeholders and companies in the reporting of trend dynamics in observatories and market watches; • "The voice of our experts" column.
Shareholders, investors and analysts	• road shows and conferences in Italy and Europe, conference calls with the management; • events dedicated to networking of listed companies and the market; • quarterly financial reports and annual financial statements; • financial highlights on social networks; • press releases; • dedicated meetings with investors and analysts.
Agents	• events and conventions.
Institutions and regulators	• meetings with representatives of the institutions; • participation in working parties and committees.
Industry associations	• institutional meetings; • group representatives on the association bodies.
Media	• events (e.g. press conferences);

Stakeholder category	Engagement activity
	• dedicated meetings; • press releases.
Community	• support to social interventions or projects, partnerships to local initiatives; • local initiative partnerships; • meetings and events on the territory; • collaborations with the academic world.
Suppliers	• institutional website with dedicated area for information on invoicing and Code of Ethics; • meetings scheduled as necessary and according to the type of supply.

The stakeholder engagement methods described allow for the collection and evaluation of stakeholders' interests, opinions and rights with the aim of integrating them, where possible, into the corporate strategy and model. In particular:

[S1.SBM-2 DP 12]

- with regard to its employees, the Group has integrated considerations of diversity and inclusion, workers' rights and well-being into its strategy;

[S2.SBM-2 DP 9]

- with regard to workers in the value chain, in particular suppliers, the Bank provides specific safeguards in order to gather relevant information on its partners (e.g. DURC - the consolidated document attesting to compliance with the payment of social security and welfare contributions) and also started a process in early 2025 to collect information on the sustainability profile of the most relevant suppliers;

[S3.SBM-2 DP 7]

- with reference to local communities, at the impetus of the Chair, Kaleidos was created, the Social Impact Lab through which the Group promotes and protects the rights of the communities concerned through the development of partnerships and collaborations with third sector entities and non-profit organisations to support the communities, people and territories in which it operates;

[S4.SBM-2 DP 8]

- with reference to end consumers, the Group has created dedicated products and services to support the sustainable transition of SME customers and has launched a project aimed at promoting the financial re-inclusion of Npl debtor customers, through sustainable ethical management of debt collection and support to individuals in difficulty.

1.1.3 Governance

Banca Ifis adopts the traditional administration & control model, considering it, at present, to be the most suited for ensuring the efficiency of operations and effectiveness of controls given its specific characteristics.

Under the model adopted by Banca Ifis:

- strategic supervision is performed by the Board of Directors;
- the CEO is responsible for the company's operations. The Chief Executive Officer implements the resolutions passed by the Board of Directors, with the assistance of the Co-General Managers identified as the Chief Commercial Officer (CCO) and Chief Operating Officer (COO);
- control is performed by the Board of Statutory Auditors.

Pursuant to the Articles of Association, the Board of Directors has set up three board committees, which, with proposal, investigation and advisory functions, enable the body with strategic supervisory functions to take its decisions in a more informed manner: the Control and Risk Committee; the Appointments Committee; and the Remuneration Committee.

The composition, functioning and responsibilities of the board Committees are governed in the General Regulations and the Regulations of the Board of Directors and the Board Committees.

The Group publishes on its website information on the members of the administrative, management and supervisory bodies, indicating the roles and responsibilities assigned to each. For each member of a corporate body of Banca Ifis, a summary curriculum vitae is publicly available, while the full version, which also includes specific competencies, is contained within the set of documents provided to shareholders when submitting lists for the election of corporate bodies. These documents are always accessible among the material relating to the Shareholders' Meeting that appointed each representative.

The Bank operates in compliance with industry regulations and voluntarily adheres to Borsa Italiana's Corporate Governance Code, providing a broad set of information, both through the pages of its website and in the Report on Corporate Governance and Ownership Structure, approved annually by the Board of Directors and available on the corporate website.

The Report also includes details on the composition and diversity of corporate bodies, the annual self-assessment process to which they are subjected, and the annual training plans prepared for corporate officers.

Role of the administrative, management and supervisory bodies

[GOV-1 DP 21a,d,e]

Members of the administrative, management and supervisory bodies	UoM	2024 (1)
Number of executive members	No.	1
Number of non-executive members	No.	15
Percentage of members of administrative, management and supervisory bodies by gender and other aspects of diversity	%	0

(1)The reported figures of 16 members correspond to 13 members of the Board of Directors and 3 members of the Board of Statutory Auditors.

Members of the Board of Directors	UoM	2024
Board of Directors' gender diversity ratio (1)	%	54
Percentage of independent Board members (2)	%	77

(1)The ratio is calculated by dividing the number of female members of the Board of Directors by the total number of members.
(2)The percentage represents independent, non-executive members of the Board. This ratio is calculated by dividing the number of independent board members (10) by the total number of board members (13).

Board of Directors				
Office	Members	Date of first appointment (1)	In office	
			from	to
Chairman	Ernesto Fürstenberg Fassio	2019	28/04/2022	Approval of the 2024 financial statements
Chief Executive Officer	Frederik Herman Geertman	2021	28/04/2022	Approval of the 2024 financial statements
Independent Director	Nicola Borri	2024	18/04/2024	Approval of the 2024 financial statements
Independent Director	Monica Regazzi	2021	28/04/2022	Approval of the 2024 financial statements
Independent Director	Paola Paoloni	2022	28/04/2022	Approval of the 2024 financial statements
Independent Director	Roberta Gobbi	2022	28/04/2022	Approval of the 2024 financial statements
Independent Director Deputy Chairman	Simona Arduini	2019	28/04/2022	Approval of the 2024 financial statements
Independent Director	Monica Billio	2019	28/04/2022	Approval of the 2024 financial statements
Independent Director (LID)	Antonella Malinconico	2016	28/04/2022	Approval of the 2024 financial statements
Independent Director	Roberto Diacetti	2019	28/04/2022	Approval of the 2024 financial statements
Independent Director	Beatrice Colleoni	2019	28/04/2022	Approval of the 2024 financial statements
Independent Director	Giovanni Meruzzi	2022	28/04/2022	Approval of the 2024 financial statements
Director	Luca Lo Giudice	2019	28/04/2022	Approval of the 2024 financial statements

(1)This means the date the director was first appointed (ever) to the Board.

Board of Auditors				
Office	Members	Date of first appointment (1)	In office	
			from	to
Chairman	Andrea Balelli	2022	28/04/2022	Approval of the 2024 financial statements
Standing Auditor	Franco Olivetti	2019	19/04/2019	Approval of the 2024 financial statements
Standing Auditor	Annunziata Melaccio	2022	28/04/2022	Approval of the 2024 financial statements
Alternate Auditor	Marinella Monterumisi	2019	19/04/2019	Approval of the 2024 financial statements
Alternate Auditor	Emanuela Rollino	2022	28/04/2022	Approval of the 2024 financial statements

(1)This means the date the Chairman/Auditor was first appointed (ever) to the Board.

[GOV-1 DP 21b]

There is no representation of employees[5] or other employees in the administration, management and supervisory bodies[6]. Industry regulations, applicable to banks, require that, at the application stage, the exponent provide information on his professionalism and competence in order to be subjected to the "Fit&Proper" process prior to taking office. In order to be considered eligible, the exponent must have exercised, for at least three years, specific activities (i.e. administration, control, management tasks, university teaching as a first or second level lecturer) in the credit, financial, securities or insurance sector or in sectors/matters in any event functional and/or related to such sectors.

[GOV-1 DP 21c]

In order to ensure the overall and adequate suitability of the administrative body, the Board of Directors, as provided for by the applicable industry regulations, provides the Shareholders with detailed indications on the optimal qualitative and quantitative composition. The aim is to ensure the presence of members with wide-ranging and consolidated expertise within the administrative body; the same activities are also carried out by the Board of Statutory Auditors.

5 "Employee" means a natural person who, in accordance with national law or practice, has an employment relationship with the enterprise.

6 "Workers' representatives" means: trade union representatives, designated or elected by trade unions in accordance with national laws and practices, and representatives freely elected by workers, independent of the employer's control and in compliance with national regulations or collective agreements. These representatives do not carry out activities reserved for trade unions or compromise their position.

Areas of expertise	Directors possessing the relevant professionalism/competence
Banking business and banking and financial activities and products	85%
Internal control systems and risk management and control methodologies	85%
Industry regulation	77%
Business management processes	77%
Dynamics of the economic and financial system	69%
Risk management and control methodologies	69%
Knowledge of organisational structure and information systems	69%
Corporate governance	62%
Accounting and financial reporting	46%

In addition to what is represented in the table above, the current board of directors also includes the following and additional skills, professionalism and experience in the following areas with respect to the external reference standards: knowledge of digitisation, innovation and cyber security issues, expertise and knowledge in the ESG area, managerial skills, mathematical-statistical skills, risk management skills, international experience[7].

The controlling body is also obliged, in compliance with the applicable sector regulations, to provide shareholders with information on its composition, both quantitative and qualitative, which it considers optimal.

Areas of expertise	Directors possessing the relevant professionalism/competence
Financial markets	80%
Regulation in the banking and finance industry	80%
Strategic planning and guidelines	60%
Organisational and corporate governance structures	100%
Risk management	60%
Internal control systems and other operating mechanisms	100%
Banking and financial activities and products	80%
Accounting and financial reporting	80%
Information technology	20%

7 Competencies are measured in the annual self-assessment process with specific reference to the European context, due to the presence of activities in Italy, Poland and Romania.

In addition to what is shown in the table above, the current auditing body has additional skills, professionalism and experience in specific areas that go beyond what is required by the relevant external regulations. These include specific knowledge of Banca Ifis, experience in Banca Ifis's core banking sector, knowledge of information and communication technology (ICT), knowledge of ESG with particular reference to the impact on lending, knowledge of remuneration policies, knowledge of management processes and business organisation, knowledge of internal control systems and risk management methodologies.

Industry regulations require that the competences of the exponents are relevant to the Bank's business and, therefore, are also significant to the material impacts, risks and opportunities of the business. In addition, it should be noted that each body (Board of Directors, Board Committees, Board of Statutory Auditors, Supervisory Body) has a budget that can be activated autonomously. As far as training is concerned, here too the industry regulations make it mandatory to implement an annual training plan. The programme is established downstream of the self-assessment process to ensure the ongoing updating and development of the skills required to perform the role and, therefore, topics in recent years have included sustainability, involving both external speakers (e.g. university professors, experts) and internal Group speakers.

[GOV-1 DP 22a]

Governance Structure in Sustainability

The parent company adopts a governance structure in the area of sustainability based on a 'decentralised' model. The Communication, Marketing, Public Affairs & Sustainability Department, at the instigation of the Chair, the Board of Directors and the Sustainability Committee, coordinates and manages activities in the field of sustainability in cooperation with the other departments involved, each within its specific competence.

In particular:

- Chairman of the Board of Directors: promotes the culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group in the long term and presides over the implementation of social, philanthropic, charitable and cultural initiatives of the Bank and the Group;
- Honorary Chairman: upholds the Group's founding values, taking into account the characteristics of the Group and the family nature of the Bank's long-term controlling shareholder (on, for example, culture and social responsibility, sustainable and digital development, innovation);
- Deputy Chairman: supports the Bank in the development of projects in the area of sustainability in all its forms and in the other areas of competence, identifying rules and principles, and coordinating with the Chairman for all communications concerning the Board of Directors, where these are presented as communications by the Deputy Chairman;
- Board of Directors: is responsible for the strategic supervision of the Bank and has the task of setting strategic guidelines and constantly monitoring their implementation to ensure proper and prudent management. When developing strategies for the entire Group, the Board takes sustainability goals into account and integrates ESG factors into business decisions;
- Sustainability Committee: supports the Board of Directors in defining and assessing guidelines in the field of sustainability, ensuring the oversight of initiatives and actions with an environmental, social or governance impact, as well as the assessment, management and mitigation of sustainability-related risks to which the Group is exposed;
- Communication, Marketing, Public Affairs & Sustainability Department: is responsible for managing ESG activities, both within the Parent Company and in its subsidiaries. Management coordinates the functions that are involved in these activities. Within the Brand, Corporate Communication and Sustainability Operating Unit, the figure of the Sustainability Manager has been created to coordinate the implementation of the activities envisaged by the Group's sustainability strategy.

[GOV-1 DP 22b]

With the aim of creating sustainable value for all stakeholders, the parent company has integrated ESG considerations into its banking processes by involving all functional competencies of the company and promoting an ongoing commitment to ESG matters.

The integration of sustainability into banking processes makes it possible to support companies in their sustainable transition process, to strengthen the trust of investors, markets and all stakeholders, and to improve corporate reputation by counteracting activities and practices deemed incompatible with the Group's principles and effectively managing ESG risks. In this context, the parent company seeks to foster sustainable economic development by giving preference, in its financing decisions, to companies that adopt ethical behaviour and are distinguished by environmentally friendly production methods, the assurance of inclusive working conditions that respect human rights, and the observance of the best standards of corporate governance.

The ESG Policy defines the guidelines that the Banca Ifis Group applies with regard to sustainability, consistent with the principles set out in the Group's Code of Ethics and its values. The responsibilities of each body are defined in the corporate mission and related policies. At the meeting of 19 December 2024, updates to the internal regulations attributable to the ESG sphere, including the General Regulations and the Regulations of the Board of Directors and Board Committees to describe these responsibilities more comprehensively, were approved. In addition, article 12, letter g) of the Articles of Association assigns the Chairman the task of “promoting the culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group in the long term and overseeing the implementation of the Bank's and the Group's social, philanthropic, welfare and cultural initiatives in compliance with the regulations, including internal ones, in force from time to time and the appreciation of the artistic heritage”.

The different company departments are in charge of progressively integrating sustainability considerations into the different business processes. The Board of Directors is regularly updated on the Group's objectives and results in the area of sustainability.

[GOV-1 DP 22c]

More specifically, during the meeting of 27 November, the Sustainability Committee approved the results of the double materiality assessment preparatory to the 2024 Sustainability Statement, which were then approved by the Board of Directors. In addition, the Board of Directors annually approves the Sustainability Statement, which is included in the Directors’ Report within the Consolidated Financial Statements.

[GOV-1 DP 22ci]

The Sustainability Committee, which operates for the entire Group, was established from among the Parent Company's Management Committees. It is a collegial body of deliberative, propositional and consultative nature with portfolio. The Committee reports to the Parent Company Board of Directors on its activities at least once every six months. In the course of 2024, 16 meetings of the Board of Directors of Banca Ifis were held, and in ten of these, topics related to sustainability issues were discussed.

[GOV-1 DP 22cii]

The Communication, Marketing, Public Affairs & Sustainability Department together with the Finance Department inform the Sustainability Committee about the management, monitoring and control of material risks, impacts and opportunities and the results of the double materiality assessment at least once a year.

[GOV-1 DP 22ciii]

With regard to the management of relevant aspects in the area of sustainability, each responsible function within the Group performs first-level controls in the context of the double materiality assessment process. These controls, carried out by the competent managers, may subsequently be subject to second-level verification by the Financial & Sustainability Reporting Monitoring & Control function, in accordance with the methods and tools defined in the internal regulations, in particular the Policy for the Management of Incorrect Financial Reporting and Sustainability Risk.

The Board of Directors, within the scope of its competences, ensures the governance of the risks to which the Bank is exposed, identifying in a timely manner their sources, possible developments and the necessary safeguards provided for by the internal control system, including those related to the Sustainability Statement.

[GOV-1 DP 22d]

At a strategic level, the decision-making bodies, in cooperation with the relevant functions, identify the objectives to be implemented in the area of sustainability, ensuring a coherent and integrated approach, including the adoption of the Group Transition Plan. The Board of Directors also completed the adoption of the entire set of regulations necessary to govern the process, using internal tools to guide and orient the company's operations in line with sustainability principles.

[GOV-1 DP 23]

In particular, industry regulations applicable to banks require the Board of Directors to deliberate annually on a training plan to supplement any areas and subjects to be implemented. The plans are prepared taking into account the results of the self-assessment on the functioning of the body itself. Specifically, the training plans provided to the Bank's corporate officers are usually organised with a theoretical part, with the support of external structures such as leading training institutes, and a practical part, conducted by the Bank's internal structures. In this respect, there is a well-established competence in sustainability issues in both the board of directors and the control body. In any case, in order to continuously implement, deepen and update these skills, they have been covered in training meetings over the past three years.

[GOV-1 DP 23a]

In addition to the areas of competence declared by each director at the application stage, further competences were identified through the annual self-assessment process, which have been acquired in the meantime, also thanks to the annual training provided to Board members.

The self-assessment for the second year of the mandate, and subsequently also in the self-assessment for the third and final year of the mandate, showed that skills, professionalism, knowledge and experience in the following areas were adequately represented on the Board of Directors: information technology; digitalisation, innovation and cyber security; ESG; and managerial skills.

As part of the third and final year's self-assessment, an in-depth analysis of ESG competencies was also conducted, in line with the previous self-assessment. The following are the conclusions drawn by the directors, the result of their reflection on their individual expertise in this specific area.

In support of this growth process, specific training sessions were held in 2024 for members of corporate bodies, focusing on the topics:

- ESG and sustainability risks;
- ESG and banking/Social Banking: which areas have the greatest impact.

Level of ESG competencies emerging from the self-assessment	UoM	Excellent	Good	Fair
Human capital management and development	No.	6	6	0
Diversity & Inclusion management	No.	8	4	0
Ethics and corporate social responsibility	No.	8	4	0
Sustainable development and fight against climate change	No.	8	4	1
ESG and sustainable finance	No.	10	3	0
Procurement and supply chain management	No.	2	9	1
ESG regulation and standards	No.	10	3	0

[GOV-1 DP 23b]

As mentioned above, the training courses provided to corporate officers, and therefore also the skills acquired by them, are always contextualised in the specific scenario of the Bank and Group companies. In fact, the courses are constructed with a training part delivered by prestigious external lecturers, to provide the general contextual framework, and a second part conducted by internal lecturers, with specific cases of analysis relevant to the specific reality of the Bank and the Group.

[G1.GOV-1 DP 5b]

In addition to specific technical expertise in the field of sustainability, the Banca Ifis Group's governing bodies have consolidated experience in responsible business conduct, which is crucial for the effective implementation of their functions.

The members of the management and supervisory bodies must in fact undergo a rigorous process of evaluation of the requirements provided for by the specific industry regulations.

The Board of Directors appoints one of its members (including, if necessary, the Chief Executive Officer) as the person responsible for Group anti-money laundering, without prejudice to the collective responsibility of the corporate bodies for the prevention of money laundering and terrorist financing.

[G1.GOV-1 DP 5a]

At the proposal of the Chief Executive Officer and with the involvement of the Chair, the Board approves, verifies and ensures the proper dissemination and implementation of corporate values through the Code of Ethics. Corporate bodies and employees are required to respect and comply with the provisions of the Code. The Chairman of the Board of Directors actively promotes a culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group over the long term, also overseeing social, philanthropic, charitable and cultural initiatives. With reference to the Code of Ethics, the Supervisory Body reports to the Board of Directors on the monitoring of the application of the document and any problems related to its implementation.

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

[GOV-2 DP 26a]

As mentioned above, the results of the double materiality assessment are brought to the attention of the Sustainability Committee and the Board of Directors, who review and approve them at least once a year[8]. Banca Ifis also undertakes to keep the Board of Directors and the Sustainability Committee informed of the effectiveness of the policies adopted, the actions taken, the metrics analysed and the targets set, as well as the duty of due diligence. This approach allows for effective management and supervision of these issues at the Bank level.

[GOV-2 DP 26c]

Therefore, these bodies have been informed of the entire list of material impacts, risks and opportunities, as set out in the "double materiality assessment" section (see 1.1 ESRS 2 - General Information, Section 1.1.4 Management of Impacts, Risks and Opportunities: Double materiality assessment).

These impacts, risks and opportunities are integrated into the company's sustainability strategy, orienting policies, actions and objectives on the various ESG topics. In this context, the policies and targets set are also brought to the attention of the Committee and the Board.

8 During 2024, the boards of directors, management and auditors did not consider any trade-offs concerning the relevant impacts, risks and opportunities in relation to their business strategy.

[GOV-2 DP 26b]

In this context, when defining the Group's strategies, the Board of Directors takes sustainability objectives into account by integrating ESG factors into business decisions.

Through the Sustainability Committee, which supports the Board in defining and evaluating sustainable guidelines, the oversight of initiatives and actions with ESG impacts is ensured, as well as the assessment, management and mitigation of sustainability-material risks. In addition to the results of the double materiality assessment, the Committee also considers regulatory developments in order to define ESG strategies and objectives, with the aim of mitigating negative risks and impacts and enhancing positive opportunities and impacts.

Integration of sustainability-related performance in incentive schemes

[GOV-3 DP 29,a]

The Banca Ifis Group's remuneration and incentive policies are defined in accordance with the Group's culture and values, long-term strategies, and prudent risk management policies, consistently with the provisions concerning the prudential control process. More specifically, the Policy was defined taking into account the remuneration and working conditions of its employees. Sustainability goals are included in the management remuneration scheme, as further described below.

[GOV-3 DP 29b]

The Remuneration Policy, defined annually by the Parent Company, is designed to align the behaviour of management and staff with the interests of all stakeholders, promoting the achievement of sustainable medium- to long-term objectives. Special attention is paid to sustainability goals, which integrate ESG factors, within the framework of prudent risk management, both current and future. At the same time, the Policy aims to attract, motivate and retain professionals with the necessary skills to effectively pursue corporate objectives.

This approach is fully consistent with corporate values and prudent risk management, and includes targeted strategies for monitoring and managing impaired loans, in line with the provisions of the prudential control process. In this way, the Policy contributes to strengthening the operational, economic and financial soundness of the company, promoting the sustainability of the Banca Ifis Group and consolidating a long-term oriented vision.

The Banca Ifis Group's incentive schemes constitute variable remuneration, thereby meaning:

- any form of remuneration whose recognition or payment depends on performance, excluding severance pay and indemnity in lieu of notice, if determined within the limits provided for by law;
- any other form of remuneration not uniquely identifiable as fixed remuneration.

Remuneration targets are structured on two time horizons: short term and medium to long term.

A short-term incentive plan, known as the Short Term Incentive Plan (STI), is drawn up annually, the recognition of which is conditional on the opening of specific access points and the achievement of qualitative and quantitative performance targets assigned to the recipients.

At the same time, the Group's incentive system may include medium- to long-term incentive mechanisms designed to align management with the objectives defined in the industrial and strategic plans.

For FY 2024, the incentive schemes confirm sustainable finance objectives that integrate ESG factors and include the explicit application of the principle of 'gender neutrality' in remuneration policies. To this end, an annual monitoring of gender pay gaps will be carried out to ensure consistency.

[GOV-3 DP 29c]

In this context, the Remuneration Policy is also geared towards creating sustainable value over time for all stakeholders and the eco-system in which the Group operates. The Sustainability Committee supports the important path taken by the Bank in integrating ESG criteria into its mission and business model, with a clear vision: sustainability, in all its forms, represents a lever for creating value and a fundamental driver of development, which pays attention to the impacts on people, the environment and the community.

The Banca Ifis Group's sustainability plan, consistent with the 17 United Nations Sustainable Development Goals, is structured according to the ESG framework and is fully integrated into our D.O.E.S. (Digital, Open, Efficient, Sustainable) Business Plan.

For FY 2024, the Bank promoted through its incentive systems the extension of ESG Key Performance Indicators (KPIs) to all levels of responsibility in the corporate organisation, considering all three main areas of intervention. With this in mind, for Identified Staff, the weight given to ESG KPIs has been increased and new ones introduced for all levels of responsibility.

[GOV-3 DP 29a]

More specifically, the Group's short-term incentive system emphasises the importance of responsible and sustainable management of business activities. For Identified Staff, including the CCO, COO and Chief Executive Officer, performance indicators consider commitment to decarbonisation, maintaining gender equity, promoting ESG training, developing internal regulations and maintaining/improving ESG ratings. Finally, for Group employees, there is a variable bonus linked to ESG training.

With specific reference to the Npl business, specific KPIs have been identified in the area of sustainable recovery, which will complement those of the Group, confirming the focus on the needs of people with an ethical and sustainable collection model for the Npl business, with a view to financial re-inclusion. These KPIs, related to the Npl segment, also apply to the Chief Executive Officer and the COO.

Finally, the involvement of the Sustainability Committee in defining remuneration and incentive policies reflects the Group's desire to direct its strategies on sustainability risks, in accordance with current regulations.

[GOV-3 DP 29e]

The Bank's remuneration and incentive policies described in the Remuneration and Remuneration Report provide for the commitment of ESG KPIs within the framework of Management by Objectives (MBO) and, if present, also within the framework of long-term plans.

For the short-term incentive scheme, the objectives are also detailed in the Implementing Regulation ("Regulation on Short-Term Incentive Schemes"), which falls within the remit of the Board of Directors. This includes the staff performance appraisal forms and a more detailed description of the incentive systems of the other categories of staff divided into homogeneous clusters, including salespeople.

The performance scorecard includes a predefined number of indicators, each of which is given a weight in percentage terms on the total of at least 10% to ensure the significance of the objective and no more than 30% to ensure an adequate weighting of the multiple objectives.

Variable remuneration accrues according to a performance curve on target achievement levels. The result obtained from each KPI determines a weighted score, on a recognition curve varying between a minimum and a maximum achievable. The sum of the weighted scores obtained corresponds to the performance achieved in proportion to which, only if it is at least equal to a predetermined minimum score, is the amount of the incentive quantified; the latter may in any case not exceed a predetermined maximum level.

As part of the at least annual review of policies, the Board of Directors analyses, with the support of the Remuneration Committee, the gender neutrality of remuneration policies and any gender pay gap and its evolution over time.

When implementing the annual bonus system, where appropriate, the Human Resources Department focuses its attention on the gender pay gap by implementing the most significant improvement measures in favour of the less represented gender, in order to reduce the gap.

The Bank's incentive systems, both short-term and long-term, are usually prepared as part of the Group's annual remuneration and incentive policies and then described in the Report on Remuneration Policy and Remuneration

Paid. The Policy is submitted to the Remuneration Committee for evaluation, to the Sustainability Committee as far as it is concerned, and to the Board of Directors for resolution to submit it to the Shareholders' Meeting. Short-term and, if present, long-term implementation regulations are prepared following the shareholders' meeting resolution.

[GOV-3 DP 29c]

More specifically, for FY 2024, sustainable finance objectives, which take into account, among other things, ESG factors, and the clarification of the "gender neutrality of remuneration policies", to be verified through annual monitoring of the gender pay gap and the activation, if necessary, of the related corrective actions, have been confirmed within short- term incentive schemes; these objectives have been extended to the whole of the Bank's population, including through a performance assessment system.

The objectives assigned to the Chief Executive Officer for 2024 represent a combination of quantitative and qualitative criteria, referring to the Group's results, as well as qualitative aspects relating to strategic action. The performance scorecard includes the declination of the following KPIs:

- Economic-financial KPIs with a weight of 65%, structured over three specific drivers (profitability, credit cost and efficiency), consistent with the Group's 2024 objectives;
- KPI of strategy and sustainability with a weight of 35%, which aim to assess the achievement of strategic directives, as well as the achievement of corporate objectives in the ESG area.

The short-term variable remuneration cap payable to the CEO is set at 60% of fixed remuneration; variable remuneration will accrue on the basis of the degree of achievement of objectives, with variable remuneration being paid on a linear progression between 60% and 100%.

[GOV-3 DP 29d]

The percentage of variable remuneration linked to the achievement of sustainability-related targets and impacts is, on average, 15%: within the short-term incentive scheme (STI), the overall weight of ESG KPIs varies between 10% and 20%, depending on the role held. Specifically, 20% is allocated to senior roles in the Npl business, 15% to Identified Staff (excluding Npl), while for all other beneficiaries the expected weight is 10%[9]. The performance appraisal system (Performup), which governs the Variable Result Bonus (ISR), also includes a KPI related to sustainability, with a weight of 10%.

[GOV-3 DP 29c]

Also for 2024, the provision of a Variable Result Bonus anchored to gender issues and the principles of inclusiveness was confirmed. The agreement signed confirms the approach of the previous year, also thanks to a more than positive return from employees as it encourages their greater involvement in achieving the company's objectives and thus increasing the Group's profitability, productivity, competitiveness and efficiency.

In continuity with last year, therefore, again in 2024 the Agreement provides for an additional form of incentive of up to 20% on top of the actual basic bonus, with the aim of rewarding distinctive conduct in terms of fairness, transparency, ethics, collaboration among employees and quality of work, as well as a different, more favourable structure of the employee welfare plan

[E1.GOV-3 DP 13]

[ESRS 2 DP 75 MDR-M]

The members of the Board of Directors, in line with current remuneration policies, receive fixed remuneration only. As mentioned above, the part of variable remuneration for senior figures, linked to the achievement of sustainability-related targets and impacts amounts to 15% on average.

---

9 For more details, refer to the 2024 Report on the Remuneration Policy and Remuneration Paid.

The objectives assigned to the Chief Executive Officer combine quantitative and qualitative criteria including ESG aspects. For the Chief Executive Officer and top management, the Group's ESG KPIs include a specific indicator linked to the decarbonisation targets of the financing portfolio, in line with the Group's communicated commitment in this regard.

Statement on due diligence

[GOV-4 DP 30-32 AR 8-10]

Banca Ifis integrates the duty of care into its business processes and strategies, as better described in the references below.

Core elements of due diligence	Sections in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	1.1.3 Governance – ESRS 2 GOV-2 1.1.3 Governance – ESRS 2 GOV-3 1.1.4 Impact, risk and opportunity management: Double materiality assessment; 2.2.2 Energy, climate change adaptation and mitigation (Material impacts, risks and opportunities); 3.1 S1 - Own workforce (Material impacts, risks and opportunities); 3.2 S2 - Workers in the value chain (Material impacts, risks and opportunities); 3.3 S3 - Affected communities (Material impacts, risks and opportunities); 3.4 S4 - Consumers and end-users (Material impacts, risks and opportunities) - ESRS 2 SBM-3 2.2.1 Transition Plan - ESRS E1-1 2.2.2 Energy, Adaptation and Mitigation of Climate Change (The Group's Approach and Policies) - ESRS E1-2 3.1.1 Health and safety; 3.1.2 Work-life balance; 3.1.3 Training and skills development; 3.1.4 Equal treatment and opportunities for all; 3.1.5 Working conditions; 3.1.6 Other work-related rights (privacy) (The Group's approach and policies) - ESRS S1-1 3.2.1 Worker-related rights in the value chain (Approach and reference policies) - ESRS S2-1 3.4.1 Access to (quality) information; 3.4.2 Privacy; 3.4.3 Access to products and services; 3.4.4 Responsible marketing practices (Approach and reference policies) - ESRS S4-1
b) Engaging with affected stakeholders in all key steps of the due diligence	1.1.2 Strategy - ESRS 2 SBM-2 3.1.7 Engagement processes - ESRS S1-2 3.4.5 Engagement processes - ESRS S4-2
c) Identifying and assessing adverse impacts	1.1.4 Impact, risk and opportunity management: Double materiality assessment - ESRS IRO-1
d) Taking actions to address those adverse impacts	2.2.2 Energy, Adaptation and Mitigation of Climate Change (The Actions) - ESRS E1-3 3.1.1 Health and safety; 3.1.2 Work-life balance; 3.1.3 Training and skills development; 3.1.4 Equal treatment and opportunities for all; 3.1.5 Working conditions; 3.1.6 Other work-related rights (privacy) (Actions) - ESRS S1-4 3.2.1 Worker-related rights in the value chain (Actions) - ESRS S2-4 3.4.1 Access to (quality) information; 3.4.2 Privacy; 3.4.3 Access to products and services; 3.4.4 Responsible marketing practices (Actions) - ESRS S4-4

Core elements of due diligence	Sections in the Sustainability Statement
e) Tracking the effectiveness of these efforts and communicating	2.2.3 Targets - ESRS E1-4 2.2.4 Metrics - ESRS E1-5 and ESRS E1-6 3.1.8 Channels - ESRS S1-3 3.1.9 Targets - ESRS S1-5 3.1.10 Metrics - ESRS S1-6, ESRS S1-8, ESRS S1-9, ESRS S1-12, ESRS S1-14, ESRS S1-16 and ESRS S1-17 3.2.2 Channels - ESRS S2-3 3.2.3 Targets - ESRS S2-5 3.4.6 Channels - ESRS S4-3 3.4.7 Targets - ESRS S4-5

Risk management and internal controls over the Sustainability Statement

[GOV-5 DP 36a]

The Group's internal control system consists of rules, procedures and organisational structures aimed at ensuring, among other things, adherence to the business strategies, the effectiveness and efficiency of processes, and compliance of operations with the law, supervisory regulations, and the policies, procedures and codes of conduct adopted by the Group. The ESG internal control system was developed to meet the specificities of the Sustainability Statement, following a similar approach to that adopted for financial reporting. This system is based on a Group methodological framework, designed to ensure consistency and reliability, which consists of the following main aspects:

- use of a coherent, centrally developed internal control system model, based on internationally recognised methodological standards, such as the “Co.So. Framework ICSR”;
- updating and dissemination within the Group according to centrally established parameters.

The pillars of this model, applied to sustainability reporting, include:

- Company Level Controls: represent the structural elements of the control system, with particular reference to the alignment of governance policies with ESG topics;
- Process controls: these concern the description of the organisational model, which includes the roles, processes and controls necessary to ensure the quality of the Sustainability Statement. They also include periodic monitoring of operational activities, with the aim of gathering evidence to assess the effectiveness of internal controls over the Sustainability Statement environment.

All business operations, where envisaged, are subject to audits by the functions or business Areas that own the various processes and operations (line controls or first line of defence), as well as by second and third line of defence departments.

With regard to the management of the risk of an incorrect Sustainability Statement, the Group assesses the completeness, adequacy and reliability of the system of internal controls with regard to financial reporting and the Sustainability Statement.

The financial and sustainability risk management process and the Sustainability Statement within Banca Ifis consists of the following sub-processes:

- identification;
- measurement;
- monitoring;
- attenuation;
- reporting.

Following the identification of the qualitative and quantitative data points material to the Sustainability Statement and the data points to be included in the scope of activity using the results of the double materiality assessment, the Group has assessed the risks associated with the whole process.

[GOV-5 DP 36b]

For each applicable quantitative data point, a risk assessment of erroneous Sustainability Statements was carried out. This assessment determines the level of inherent (potential) risk, taking into account aspects such as the connection with changes in principles and required disclosure compared to the previous period, the nature and volume of underlying transactions, and the presence of estimation processes.

Risks were also identified in terms of Assertion, in line with ESRS 1 (European Sustainability Reporting Standard 1) of the CSRD.

[GOV-5 DP 36c]

By way of example, but not limited to, the main risks identified during the preliminary analysis carried out on the 2024 Sustainability Statement process are "inconsistency of the data/information reported within the IT platform used for data collection with the supporting evidence", "inconsistency and incompleteness of the players/sectors integrated in the IROs long list", "incompleteness/inaccuracy of the double materiality assessment due to an inappropriate assessment of the context", "incompleteness/inaccuracy of the double materiality assessment due to the lack of consideration of the contributions provided by the stakeholders involved".

Once the risks impacting the analysed processes have been identified, the activity continues by identifying the controls that the Bank's structures have put in place to mitigate these risks.

These controls involve different approaches depending on the nature of the information (referred to as “data points”) to be verified, specifically:

- for data points of a qualitative nature, the identification of first-level controls is envisaged in order to verify the conformity and completeness of the data with the requirements of the regulations;
- for data points of a quantitative nature, first-level controls are to be identified to mitigate the risk of an erroneous Sustainability Statement;
- for processes relating to the Sustainability Statement, first-level controls are to be identified to mitigate the risk of an erroneous Sustainability Statement.

For each identified risk, at least one 'key control' is identified, i.e. a control essential to prevent material errors that cannot be intercepted by other controls. A test of design ('ToD') is performed on each 'key control' to check its suitability and, if positive, testing of operational effectiveness ('ToE') is carried out.

[GOV-5 DP 36d]

In the event of significant deviations that could affect the reliability of the Sustainability Statement, the Group proceeds swiftly to request that the anomaly be remedied to the relevant structure and to monitor the implementation of the required corrective measures, with a view to continually improving and updating the internal control system.

[GOV-5 DP 36e]

The Manager Charged with preparing the company’s financial reports shares the annual Sustainability Statement with the Chief Executive Officer and then presents it to the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors.

The report describes the verification activities carried out, their results and any shortcomings found.

1.1.4 Impact, risk and opportunity management: Double materiality assessment

[SBM-3 DP 48a]

ESRS	Sub topic	Impact materiality	Financial materiality - risks	Financial materiality - opportunities	Time horizon
E1	Climate change adaptation				
	Climate change mitigation				
	Energy				
E4	Direct impact drivers of biodiversity loss				
	Impacts on the state of species				
	Impacts on the extent and condition of ecosystems				
S1	Working conditions				
	Equal treatment and opportunities for all				
	Other work-related rights (privacy)				
S2	Working conditions				
	Equal treatment and opportunities for all				
	Other work-related rights (privacy)				
S3	Communities' economic, social and cultural rights		Not Material		
	Communities' civil and political rights				
S4	Information-related impacts for consumers and/or end-users				
	Social inclusion of consumers and/or end- users				
G1	Corporate culture				
	Protection of whistle-blowers				

ESRS	Sub topic	Impact materiality	Financial materiality - risks	Financial materiality - opportunities	Time horizon
	Political engagement and lobbying activities				
	Management of relationships with suppliers including payment practices				
	Corruption and bribery				

Key:

own operations value chain

short term - medium term - long term

Further details on the material impacts, risks and opportunities for the Banca Ifis Group are discussed in the respective thematic chapters.

[SBM-3 DP 48f]

In order to gain an ever better understanding of the environment in which it operates, Banca Ifis periodically carries out work to identify and assess the impact of climate and environmental risks on the entire ecosystem in which the Group operates, to ensure its resilience. This process, which includes an initial analysis of market trends, a subsequent sectoral in-depth analysis and an assessment of the risks and opportunities associated with the different segments of each sector's value chain, aims to provide a solid information basis to guide strategic decisions related to the management of these risks, promoting a sustainable and conscious approach to climate and environmental challenges.

Based on the evidence from these analyses, Banca Ifis will direct its strategy and business processes to strengthen its resilience, mitigating material impacts, managing risks related to the ecological transition and seizing opportunities offered by sustainable business models. This translates into an evolution of the commercial offer, favouring the financing of sectors and companies with less exposure to environmental risks, the integration of ESG criteria in credit assessment processes and the investment in low-impact solutions for its operations, thus contributing to the sustainable development of the ecosystem in which it operates.

[SBM-3 DP 48b]

Impacts, risks and opportunities identified as material for Banca Ifis are integrated into its business model through concrete actions and targeted strategies. Specifically, with reference to environmental issues, and therefore to the effects of greenhouse gas (GHG) emissions, current and projected, generated directly and indirectly, the Banca Ifis Group is committed to implementing concrete actions to limit negative effects and generate positive impacts to reduce its environmental impact and promote sustainable transition. The adoption of specific initiatives, such as improving energy efficiency and supporting sustainable mobility, mitigates climate risks and enhances market opportunities.

In the value chain, the Group promotes innovative financial products for the sustainable transition of SMEs. The strategy also includes strengthening governance on ESG risks, a focus on the workforce with welfare and gender equality initiatives, and investments in digital technologies to ensure transparency, security and better access to services.

Environment

Specifically, with regard to environmental issues, the Group is committed to implementing various actions that generate direct and indirect impacts, in order to limit negative effects and generate positive impacts.

For example, the Group offers itself as a partner to accompany its customers on the path to sustainable transition, having also defined Net Zero targets in relation to the emissions of its portfolio complemented by decarbonisation targets for the main financed sectors. Simultaneously, the Group also aims to reduce its own emissions. It also identifies the business implications of climate stress and the associated socio-economic transition, seizing emerging opportunities, including through the proper identification, understanding and management of risks (in line with the Materiality Assessment exercise carried out) and climate and environmental opportunities that the Group may encounter.

With regard to the issue of biodiversity, on the other hand, the double materiality assessment shows, on the one hand, positive impacts resulting from financing, and, on the other hand, reputational and credit risks linked to the loss of biodiversity. In response, the Bank adopts an integrated strategic approach in its ESG Policy and Credit Policy, promoting the conservation of ecosystems.

Social

The in-house workforce is one of the key elements of the Group's strategy and business model, and the positive impacts it generates in turn contribute to the continuous improvement of the strategy itself, as demonstrated by the close connection between the impacts on the in-house workforce and the Bank's Business Plan.

The Group also carries out its activities with respect for the environment and human rights, constantly striving to establish a reliable and inclusive approach to minimise negative impacts, respecting both internal workers and those along the value chain.

Finally, special attention is paid to the development and promotion of the communities and territory in which the Group operates, through the generation of material impacts and opportunities closely linked to the corporate strategy and aligned with the mission and objectives of the Kaleidos Social Impact Lab. Similarly, the Group's focus on customers and consumers is also read with a view to sustainability, for example through the adoption of an ethical and sustainable debt collection model aimed at the financial re-inclusion of debtors.

Governance

Finally, with regard to aspects relating to corporate culture, the Group continues to pursue and disseminate the principles of fairness, professional ethics and its corporate values, which are fundamental to the definition of the Group's integrity.

[SBM-3 DP 48ci,cii,ciii,civ]

The double materiality assessment conducted by the Group led to the identification of 89 material impacts, risks and opportunities, appropriately described within the thematic ESRS chapters. These were identified by considering all operations, activities, entities and processes involved in the life cycle of the services offered, both upstream and downstream, also taking into account counterparts such as indirect suppliers and end users.

Moreover, the Group's material impacts are directly reflected on people and the environment: on the one hand, they generate benefits through initiatives such as the renovation of buildings and support for the sustainable transition of SMEs; on the other hand, they contribute to the generation of indirect GHG emissions (e.g. financing-related emissions).

These impacts stem from the strategy and business model, which focus on sustainable growth, digitisation and inclusiveness. Their effects manifest themselves both in the short term, with operational and energy improvements, and in the long term, with innovation and social inclusion projects. In particular, impacts arise mainly from the Group's activities and relationships with counterparties along the value chain, such as suppliers and customers.

[SBM-3 DP 48d]

With regard to current financial effects, a study was conducted in 2024 on the effects of climate and environmental risks on credit risk, analysing the possible impacts that climate events could cause on risk parameters (PD and LGD) and consequently on the ECL of the performing portfolio. The analyses carried out showed that, with reference to the overall scenario of 2024 (weighted 60% as 'baseline' and 40% as 'adverse'), the impact of climate risks on the Banca Ifis Group's risk parameters (PD and LGD) is to be considered entirely marginal at the level of ECL increase. Notwithstanding the fact that the Group will continue in the near future to update analyses to assess climate risks and measure their impacts, given their negligible nature, in preparing the Annual Report as at 31 December 2024, these effects have not been incorporated into the determination of the ECL through risk parameter adjustments or a specific overlay.

For more details, refer to the Notes to the Consolidated Financial Statements, Part E - Information on Risks and Related Hedging Policies.

Description of the processes to identify and assess material impacts, risks and opportunities

[IRO-1 DP 53a,c]

The Banca Ifis Group conducted the double materiality assessment to identify the material sustainability impacts, risks and opportunities (known as IROs) in order to integrate them into strategic decisions.

The double materiality assessment has two interconnected dimensions:

- materiality of impact (inside-out): a sustainability issue is considered material when it produces impacts, actual or potential, positive or negative, on people or the environment in the short, medium or long term. Impacts may arise from direct business activities or from the value chain, including products and services offered and business relationships;
- financial materiality (outside-in): an issue is considered material from a financial point of view when it has or could have significant effects on the company's economic performance, financial position, cash flows, access to finance or cost of capital.

The identification of impacts, risks and opportunities was done through a top-down approach, focusing on the Group's core business, i.e. banking. Although the analysis considered all entities included in the scope of the Sustainability Statement, the focus remained mainly on the core banking business.

In addition, the process was conducted in accordance with ESRS 1 'General Requirements' of the European Sustainability Reporting Standards (ESRS), which constitutes the framework for sustainability reporting of an entity as a whole, and EFRAG's IG1 Double Materiality Guidelines. These tools provide guidance on the process of assessing double materiality; therefore, the Group has established an ESRS-compliant double materiality assessment process adapted to its specific circumstances.

[IRO-1 DP 53b,c]

In particular, according to the EFRAG Guidelines - IG1, the implementation of double materiality assessment requires the execution of four fundamental steps[10]:

1. understanding the context of the organisation;
2. identification of current and potential IROs related to sustainability topics;
3. evaluation and determination of material IROs;
4. reporting against the material IROs.

[IRO-1 DP 53bi]

1. Understanding the context of the organisation

By examining the information collected, Banca Ifis identified dependencies and resources, business relationships and geographical presence, considering direct operations, the upstream and downstream value chain, and the various stakeholders involved.

The internal analysis examined:

- the Bank's business model, related business strategy, business activities, market trends and customer solutions;
- annual financial reports;
- the 2023 Non-Financial Statement;
- other available information and external reports;
- additional documentation, such as the Risk Catalogue and the list of identified impacts for the 2023 NFS;
- the Code of Ethics, the ESG Policy, the Environmental Policy, the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (OMM) and the various policies relating to process and sustainability topics;
- the corporate website of Banca Ifis.

In order to conduct the double materiality assessment process in a comprehensive and regulatory-compliant manner, the bank also considered its existing relationships with its suppliers, customers and internal and external stakeholders (such as employees, investors, affected communities), focusing mainly on the Italian territory, where Banca Ifis conducts almost all of its activities. In addition, special attention was paid to any factors that generate or could generate negative impacts on people, the environment and society.

[IRO-1 DP 53bii]

Impacts arising from the Bank's activities or its business relationships were identified through a preliminary document analysis and subsequently assessed in the double materiality assessment through input from the stakeholders involved.

The following activities were conducted in the course of the external analysis to identify potential new risks and impacts:

- in-depth analysis of industry benchmarks, carried out by studying the main annual and sustainability reports of peer and competitor companies in the financial sector;
- consultation of authoritative references to ensure a comprehensive and informed approach to sustainability and responsible governance (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double materiality assessment, DP 53g).

10 2024 represents the first year of reporting on the double materiality assessment process; therefore, appropriate monitoring of risks, impacts and opportunities will be structured during 2025.

In addition, further relevant aspects were taken into account when analysing the context, including the legal and regulatory landscape, public documentation such as media reports, and scientific articles and publications exploring general trends in sustainability.

The systematic approach adopted has created a solid basis for managing sustainability-related risks and opportunities, integrating a strategic vision and an in-depth understanding of the business environment and its relationships.

[IRO-1 DP 53biii]

Stakeholder engagement

The mapping of internal and external stakeholders constituted a key step in the process of double materiality assessment. The Group has identified an exhaustive list of internal and external stakeholders with the aim of ensuring an integrated and inclusive approach.

In particular, the double materiality assessment was initially carried out internally by the Group through the active involvement of various categories of internal stakeholders, i.e. corporate functions and departments that are strategic and essential for the assessment of IROs. These include Risk Management, Sustainability, Business, General Services, Human Resources, Compliance, Procurement, Finance, General Counsel. These functions have made essential contributions to the identification and assessment of IROs, bringing specific expertise and key perspectives to ensure a comprehensive and thorough analysis.

Subsequently, the company conducted an analysis addressed to external stakeholders with a twofold objective: on the one hand, to obtain feedback on identified impacts, risks and opportunities, and on the other hand, to support and reinforce the Group's assessment of double materiality.

Finally, the Group's top management was involved, who, thanks to their holistic and informed view of sustainability issues in relation to the strategy and business model, provided feedback and considerations that contributed to the consolidation of the various assessments and the final outcomes of the double materiality assessment.

In line with regulatory requirements, Banca Ifis has divided its external stakeholders into two main categories:

- impacted stakeholders: individuals or groups whose interests may be affected, positively or negatively, by Banca Ifis's activities and business relationships along the entire value chain, such as customers, communities, the environment, consumers and suppliers;
- users of the Sustainability Statement: stakeholders of sustainability data, both financial and non-financial, such as current and potential investors, lenders and creditors (e.g. asset managers and lenders), business partners, trade unions and social partners, civil society and NGOs, governments, regulators, academic analysts and experts, industry associations, media, ESG assessors, government agencies.

Following the mapping and identification of the main stakeholders, the Bank adopted specific approaches to engage with the respective stakeholders and users of the Sustainability Statement, taking into account the peculiarities of each category and using differentiated tools such as thematic workshops and one-to-one meetings, all aimed at gathering considerations and assessments in the area of double materiality.

[IRO-1 DP 53c,ci,ciii]

2. Identification of actual and potential IROs related to sustainability topics

In order to effectively identify the impacts, risks and opportunities to be analysed, the Group has adopted a structured approach consisting of the following steps:

- identification of topics and sub-topics for each ESRS;
- integration of relevant information from previous materiality assessments, existing reports or analyses (e.g. human rights impact assessments and climate scenario analyses) and external inputs, such as World Economic Forum and OECD guidelines;

- consideration of the risks identified in the Group Risk Management Risk Inventory, including credit, market, operational, reputational, strategic and compliance risks;
- mapping of actors in the value chain, both upstream and downstream, analysing stakeholders such as shareholders, employees, suppliers and customers. Data was collected on the size, activities and geographic areas of the companies with which Banca Ifis does business, in order to identify material risk areas and related IROs;
- assessment of the ways in which impacts translate into risks and opportunities, bearing in mind that not all risks and opportunities are strictly related to Banca Ifis's activities or impacts, some of which may be due to the environment in which the Group operates or dependencies related to natural, human and social resources;
- analysis of actual and potential IROs, including consideration of the time horizon associated with each;
- review of the due diligence process, in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, to ensure adherence to the highest international standards.

In the double materiality process, the Group once assessed individual IROs through the relevant thresholds[11] and methodologies, aggregated the results of the IROs for the reporting topics, prioritising them on the basis of the value of the impacts, in order to give importance to the risks and, finally, to the opportunities.

In order to identify and prioritise sustainability risks, the Bank made use of the analyses and findings of the Materiality Assessment, i.e. the analysis of the significance of climate and environmental risks conducted by the Group's Risk Management function, which highlighted the correlations between sustainability risks, in particular climate and environmental risks, and the traditional risks of the banking system.

[IRO-1 DP 53b]

3. Evaluation and determination of material IROs

[IRO-1 DP 53b,biv]

To determine the materiality of impact, the Group assessed the significance of impacts, both positive and negative, taking several factors into consideration. These include magnitude, which measures the severity of the impacts or the benefits caused by them; extent, which assesses how widespread the impacts are; irremediability, considered only for negative impacts, which indicates whether and to what extent the negative impacts could be remedied, for example, by restoring the environment or people impacted to their previous state; and likelihood, which expresses how likely it is that such impacts will occur.

In the assessment of potential negative impacts on human rights, the severity of the impact is given priority over its likelihood, while the determination of financial materiality is based on the joint analysis of the magnitude of the economic effects and the likelihood of their materialisation.

In addition to the parameters described above, the evaluation process included an in-depth analysis of further key elements in order to ensure a comprehensive understanding of double materiality. Amongst these, particular attention was paid to impacted stakeholders, i.e. individuals or groups affected by the company's activities, to time horizons, divided into short, medium and long term to ensure an integrated and time-projected view, and to the value chain, with a specific focus on the most critical geographical areas and business relationships. This analysis allowed for a more precise contextualisation of impacts and opportunities across the entire spectrum of the company's activities.

11 The preliminary threshold for assessing the materiality of each sustainability topic was set at '4' for both impact materiality and financial materiality.

To identify material sustainability issues, the Bank also assessed the list of IROs taking into account both actual impacts (gross, net of mitigation measures) and potential impacts, considering the effect of preventive measures to avoid future impacts.

[IRO-1 DP 53cii]

With regard to financial materiality, the magnitude, i.e. the magnitude of the impacts should a risk or opportunity materialise, and the likelihood of these risks and opportunities materialising, were taken into account.

[IRO-1 DP 53biv,c,cii]

Each impact, risk and opportunity was given a score on a scale of '1' to '4', where '1' indicates a low rating and '4' a very high rating. This scoring system was used to measure both the severity of impacts and the magnitude of risks and opportunities, with a focus on impacts that had already occurred, which were automatically assigned the maximum score of '4'. The likelihood rating scale followed the same criterion, with scores from '1' (low probability) to '4' (high probability).

Finally, the Group has established quantitative and qualitative thresholds to determine the materiality of the issues to be disclosed, using risk management processes to define the thresholds and verify whether the impacts are significant for disclosure. More specifically, Banca Ifis defined materiality thresholds through a three-step process: initial identification of thresholds based on the scores obtained, verification of consistency with stakeholders, and final review, if necessary, to ensure optimal alignment with identified priorities.

The threshold for defining the materiality of each sustainability issue was set at '4' for both impact and financial materiality, using the calculation methodology described above. In accordance with ESRS 1 and the Guideline, once individual IROs have been assessed according to appropriate thresholds and methodologies, results can be aggregated for reporting topics. Prioritisation was therefore applied by initially considering the value of impacts, followed by risks and, finally, opportunities. The threshold for defining the materiality of each sustainability issue was set at '4' for both impact and financial materiality, using the calculation methodology described above. In accordance with ESRS 1 and the Guideline, once individual IROs have been assessed according to appropriate thresholds and methodologies, results were able to be aggregated for reporting topics. Prioritisation was therefore applied by initially considering the value of impacts, followed by risks and, finally, opportunities.

[IRO-1 DP 53d]

As previously described (see 1.1 ESRS 2 - General Information, Section 1.1.3 Governance, DP 26), the results of the double materiality assessment process were brought to the attention of and approved by the governing bodies, such as the Sustainability Committee and the Board of Directors. In addition, the Sustainability Statement is certified by the Manager Charged with preparing the company's financial reports. To this end, a special internal control system was set up to verify the data and information reported in the disclosure. This system has been integrated into specific operational procedures.

[IRO-1 DP 53e]

The Group conducted impact, risk and opportunity assessments through the direct involvement of specific corporate functions, ensuring a structured and thorough approach. In order to assess the overall risk profile and optimise the risk management and integration processes, the risks identified in the Risk Inventory provided by Group Risk Management were also integrated into the analysis for an overall and consistent view. These include credit risks, market risks, operational risks, reputational risks, strategic risks and compliance risks.

Sustainability risks were prioritised over other types of risks, in view of their relevance to stakeholders and the results of the assessment of their financial materiality. Therefore, the process of identifying, analysing and managing these risks has been integrated into the overall risk management system, contributing to the definition of the corporate risk profile.

The integration of these factors examines risk appetite, ICAAP, credit and market risk management strategies, liquidity impact, credit risk assessment models and provisions.

[IRO-1 DP 53f]

With regard to opportunities, in identifying and evaluating them, the Group considered the strategic objectives defined in the D.O.E.S. Business Plan, consistently managed within the Group's processes.

[IRO-1 DP 53g]

As part of the double materiality assessment, Banca Ifis considered several authoritative sources, including FTSE4Good Index Series, Global Risk Report 2024, MSCI ESG Indices, CDP, MIB ESG Index, Integrated Governance Services, Standard Ethics Indices, Bloomberg Gender-Equality Index 2022 (GEI), World Economic Forum, OECD, STOXX® Sustainability Indices, UNEP FI - Impact Radar and Principles for Responsible Banking (PRB).

In addition, the Risk Management function's insights were based on the risk drivers identified by infoproviders such as Moody's and ENCORE.

[IRO-1 DP 53f]

The process of identifying, evaluating and managing opportunities was carried out by involving the individual corporate functions for the areas of their competence, which formulated considerations on the basis of the overall process of managing the topics.

[E1.IRO-1 DP 20a]

With the aim of identifying climate change impacts, the Group, through discussions with the relevant corporate functions, analysed the company's activities and the total greenhouse gas (GHG) emissions generated by the organisation. The analysis revealed two main impacts:

- generation of finance-related indirect emissions (Scope 3);
- generation of direct and indirect GHG emissions resulting in negative environmental sustainability performance (Scope 1 and 2).

In addition, a further climate change-related impact was identified, related to the improvement of the working environment through the green renovation of company buildings.

[E1.IRO-1 DP 20b,bi,c,ci]

In order to ensure an adequate integration of climate and environmental risks within the Risk Management Framework, the Risk Management function conducts a materiality assessment for traditional risk categories involving a quantitative assessment, using various analytical tools. The Climate & Environmental (C&E) Materiality Assessment is conducted annually with the aim of updating the risk management framework in light of portfolio developments and identifying any new risks arising from climate and environmental events.

Materiality Assessment involves identifying causal mechanisms that transfer risk from climate or environmental events to traditional risks and thus to credit risk, operational risk, liquidity risk, business risk, market risk and reputational risk. In the course of 2024, the analysis was also extended to environmental risks (biodiversity, pollution, water use, waste management) analysed both from a physical (through georeferencing) and transitional (through a sectoral approach) point of view.

[E1.IRO-1 DP 20b,bii,c,cii]

The process adopted by Banca Ifis consists of three main activities aimed at identifying and assessing climate and environmental (C&E) risks material to the Bank.

1. Development of the C&E risk taxonomy: the first phase consists of the creation of a C&E taxonomy, with the identification of the main risk drivers linked to two main categories:

- Climate risks divided into:
  - Transition risks: related to technological, regulatory and market developments (e.g. changes in regulations, technological innovations and market perception);
  - Physical hazards: distinguished between acute (e.g. floods, landslides, fires) and chronic (e.g. sea level rise, drought).

- Environmental risks: divided up into:
  - Transition risks: similar to climate risks, influenced by technology, regulation and market sentiment;
  - Physical hazards: both acute and chronic.
2. Identification of transmission channels and time horizon: this phase involves the qualitative analysis of the propagation of risks and the definition of their time horizon, with particular attention to the main impacts on the Bank.
3. Definition of Materiality Assessment: in the final stage, the materiality assessment of C&E risks is carried out, taking into account all identified risk types.

[E1.IRO-1 AR 13]

In order to ensure a better fit with the Group's specific business models, risks were grouped into macro-areas, also taking into account the guidelines provided by the European Central Bank (ECB) on the internal capital adequacy assessment process (ICAAP) and liquidity assessment process (ILAAP).

In particular, the analysis of physical risks considered adverse weather events, both chronic and acute, identifying those most relevant to Banca Ifis's operating environment. The assessment of their significance was conducted in relation to potential impacts on traditional risks, which in turn were examined through various factors, including portfolio geo-referencing, business operations and strategic assets for business continuity.

With regard to transition risks, the analysis was carried out at sector level, identifying the sectors most exposed to specific environmental issues, such as biodiversity, pollution, water use and waste management. Again, potential impacts were assessed in relation to traditional risks, providing an integrated picture of their significance.

This structured approach enables Banca Ifis to effectively understand and manage climate and environmental risks, integrating them into its decision-making processes and risk management strategies. The adoption of analytical tools such as sector heatmapping and geo-referenced analysis ensures precise identification of the most exposed areas, facilitating the implementation of targeted mitigation measures.

The above analyses were conducted in line with the Bank's membership of the Net-Zero Banking Alliance (NZBA).

Materiality of climate and environmental risks

After the preliminary mapping of climate and environmental risks, the materiality assessment also includes a detailed examination of the channels of transmission of C&E risks to traditional risks, the time horizons with which C&E risks manifest themselves given Banca Ifis's operations, and an assessment of the risks identified as material. Below is a summary of the main risks material to Banca Ifis.

Credit risk

[E1.IRO-1 AR11,12]

Risk type	Transmission channel	Description	Time horizon
Climate physical risk	Business continuity of the company and Npl/salary-backed loans realignment plans	An acute physical risk can lead to disruptions in the value chain and lead to a decrease in sales. Similarly, physical damage to plants could affect normal operating capacity and thus the company's future financial solvency	Medium-term
		Commercial and residential properties could be damaged by acute or chronic climatic events, impacting the valuation of buildings and adjacent properties. In addition, the ability of borrowers to repay their loans may be impaired due to the operational inability to continue their income-generating activities (e.g. property used as a pharmacy, main residence)	Medium-term
Climate transition risks	Repayment capacity on corporate loans and Npl/salary-backed loans realignment plans	Technology: Reduced competitiveness due to lack of investment in new technologies with lower emissions impact, resulting in higher probability of default Politics and regulations: Reduced profits for high-carbon companies due to greenhouse gas emission taxes, which in turn can affect access to and the cost of financing and the ability to repay debts by increasing the probability of default Market Sentiment: consumer preferences may further push demand towards greener opportunities and affect the profitability of companies, worsening the PD of those companies that are not aligned with new green market trends	Medium-term
	Value of real estate on secured exposures	Technology: energy-intensive real estate (e.g., high APE ratings) may lead to a depreciation of the property in the event of a call on the guarantee with an impact on the LGD Policy and regulations: the value of the collateral could be reduced in the case of policies that impose legal limits related to the degree of energy efficiency, worsening the borrower's creditworthiness towards the bank and impacting LGD Market Sentiment: increased demand for energy-efficient housing may negatively affect the value of low-energy-efficient collaterals and impact LGD	Medium-term
Environmental physical risk	Business continuity of the company	Companies operating in areas vulnerable to environmental risks may suffer significant economic losses due to the degradation of ecosystems. This degradation can be caused both by acute events, such as natural disasters, and by chronic, gradual changes. Such phenomena can compromise the natural resources required for business operations, adversely affect production and increase operating costs, jeopardising long-term profitability and the associated repayment capacity	Medium-term
Environmental transition risks	Repayment capacity on corporate loans	Companies exposed to environmental risks can suffer significant economic consequences due to the failure to adopt environmentally friendly technologies, the delay in aligning with regulations to reduce pollution, and the increasing scarcity of natural resources such as water and biodiversity. These risks may materialise in economic losses resulting from regulatory sanctions or increased operating costs due to reduced availability of essential resources. Moreover, inefficiency in managing these aspects can make companies less competitive in a market increasingly oriented towards environmental sustainability	Medium-term

The study of the effects of climate and environmental risks on the credit risk of the Group's portfolio followed two complementary approaches that guarantee, on one hand, the highlighting of aspects linked to the peculiarities of the segments to which the Group is exposed, and on the other the analysis of the geographical distribution of its loans, highlighting particular concentrations in areas at risk of adverse events. The procedure carried out fostered the development of new knowledge and the dissemination of an awareness of such risks that the Group pursues with regard to both its employees and its various stakeholders.

With regard to transition risks, there are several transmission channels affecting credit risk. In order to capture these aspects, a risk mapping exercise was carried out, which led to the assignment of a risk level according to the sector to which each counterparty in the portfolio belongs (via ATECO code).

Also with reference to transition risks, another line of analysis was that of real estate securing loans granted by the Banca Ifis Group subsidiary Banca Credifarma. In this case, the effect of transition risk on credit risk is closely linked to the energy class of the real estate pledged as collateral. In these terms, a detailed analysis of the transition risk was carried out on Banca Credifarma's securitised portfolio by assessing the EPCs of the properties, with the aim of taking into account the possible devaluation on property values in the event of resale, due to the market discount applied for low energy class properties.

As far as physical risks are concerned, the impact was quantified by georeferencing the portfolio. The analysis carried out by the Group made it possible to associate physical risk at the level of individual counterparties on the basis of their geographical location (at a municipal level), identifying risks that are relevant to the context in which it operates. In addition, georeferencing methods were refined with reference to counterparties belonging to the automotive sector (given its importance in the Group's portfolio and in the decarbonisation strategies defined by Banca Ifis), considering the global location of production sites.

The materiality assessment of climate and environmental (C&E) risks on credit risk took the form of a graphical representation of the risk (a "heatmap") showing the significance of the associated transition and physical risk for each segment. More specifically, the risk assessments conducted for the purposes of the double materiality assessment were enhanced by the internal analyses performed by the Risk Management function and the results of the assessment performed by the same function. The materiality assessment showed a share of exposures of ~22% to segments with "High" or "Very high" climate and environmental risk; overall, the degree of significance of C&E risks on credit risk was assessed by Banca Ifis as moderate.

[E1.IRO-1 AR 13]

During 2024, in addition to updating the data downloaded from the various infoproviders already used in previous years, additional analysis indicators were integrated to define the sectoral transition risk for environmental topics, in particular:

- information on the topics of 'Pollution (Air, Soil, Water)', 'Biodiversity (Disturbance, Ecosystem Use)' and 'Water Use' was retrieved from the ENCORE infoprovider (https://encorenature.org/en);
- these variables were integrated with the climate information already retrieved from Moody's on 'Carbon Transition (GHG Emissions)' and 'Waste and Pollution (Circular Economy)' for the construction of the climate and environmental transition score.

As far as physical risk is concerned, hazard indicators are collected at provincial level by the infoprovider THINK HAZARD and supplemented with more detailed information at municipal level on certain aspects relevant to the Italian territory, such as floods, landslides, volcanoes and sea level rise, based on sources such as ISTAT, ISPRA and INGV. An analysis provided by NATURA2000, which maps Italian areas of high biodiversity in relation to habitats, species and natural parks, was also incorporated in 2024. The analysis assesses the potential impact of companies located in the vicinity of these areas, differentiating it by economic macro-sector.

Business risk

[E1.IRO-1 AR 11,12]

Risk type	Transmission channel	Description	Time horizon
Transition and physical risks	Profitability linked to segments exposed to C&E risks	The Bank operates in sectors that may be affected by transitional climate risks related to the transition to a sustainable economy, as well as the impact of acute and chronic physical risks that may affect portfolio counterparties and affect the Bank's ability to generate margins in these sectors	Medium-/ long-term

The analysis uses the segment-level credit risk materiality exercise and the segmentation of the portfolio into high-risk Climate & Environmental (C&E) segments as a starting point. On the basis of the counterparties in each segment, the relevant net banking income is associated and the percentage of revenue of the total generated in high C&E risk segments is calculated. The 2024 analysis shows that about 10% of the Group's net banking income is generated on high C&E risk segments.

Market risk

To date, the Group's market risk is not material, amounting to approximately 1% of risk-weighted assets (RWAs) and being mainly composed of transactions for economic hedging and/or developing the Group's investment portfolio.

In this context, carefully implemented risk monitoring and consequent risk management activities aim at containing portfolio volatility and hedging relevant risks deriving from exogenous sources. The Bank conducts recurring analyses of the materiality of climate and environmental risks in relation to the sovereign portfolio.

[E1.IRO-1 AR 11,12]

Risk type	Transmission channel	Description	Time horizon
Physical risks	Sovereign securities portfolio	The bank's credit risk with respect to sovereign exposures may increase in the event of acute or chronic weather events, as they impact the income of sovereign states: - Lower tax revenues from affected businesses (e.g., decreasing the physical capital of companies) and higher expenditures to deal with the economic effects of physical weather events (e.g., repair or prevention of damage to infrastructure or public assets and increased social costs)	Long-term
Transition risks	Sovereign securities portfolio	Technology: climate change mitigation and adaptation policies also derive from necessary public investment, implying an increase in public spending Politics and regulation: sovereign states may face higher litigation costs as efforts towards a sustainable transition progress Market sentiment: changes in consumer preferences, a weaker overall economy and lower fiscal income could have an impact on sovereign riskiness	Medium-term

[E1.IRO-1 AR 13]

In particular, numerous IMF (International Monetary Fund) research articles have shown that climate and environmental risk is able to influence the risk of sovereign default, reflecting on government bond spreads. Banca Ifis assesses this risk according to the INFORM index, developed by the Disaster Risk Management Knowledge Centre and also mentioned by the European Commission.

Based on the results of the materiality assessment, no changes to the current practices in force are currently necessary. However, the Bank will continue to evaluate the adoption of additional safeguards, aimed at integrating the analysis of C&E risks into the relevant investment/disinvestment choices.

Operational risk

[E1.IRO-1 AR 11,12]

Risk type	Transmission channel	Description	Time horizon
Physical risks	Compromise of operating sites, prop. data centres and major IT outsourcers	The Bank could be significantly impacted by the impairment of its operating sites, including those of its Foreign Subsidiaries, branches and data centres exposed to high climatic risks, in addition to the business continuity analyses already in place.	Medium-term
	Ex-lege suspension of payment flows for extreme events	Due to extreme weather events, the Bank could be exposed to possible interventions by the legislator to support the population that could lead to the suspension of instalments and/or repayment of Npl/salary-backed loans repayment plans.	Medium-term
Transition risks	Lawsuits by NGOs / Activists	A possible climate lawsuit by activists/NGOs could lead to fines/compensation in litigation.	Short-term

The study of the effects of climate and environmental risks on operational and reputational risks was carried out with reference to both physical and transitional risks, by assessing on one hand the potential impacts of acute weather events in financial and business continuity terms, and on the other hand the negative effects that could be generated for the reputation of the Banca Ifis Group following conduct or business practices in conflict with ambitions and the reference regulatory framework.

The occurrence of extreme climatic and environmental events could, in fact, jeopardise the Group's business continuity with serious repercussions on the Group's main operating sites (including branches), on those of outsourcers critical for stability (e.g., Mestre, Milan, Parma, and Padua) and on the main data centre sites (proprietary or third-party).

In this context, in order to estimate the relevance of infrastructure in terms of profitability and business volumes generated, several proxies were calculated, such as the contribution of the individual branch to net banking income, weighted for probability of occurrence of climate events or the number of staff operating at the Group's main offices.

[E1.IRO-1 AR 13]

From the point of view of operational risks, various scenarios resulting from the occurrence of acute climate and environmental events were analysed. In order to quantify the impact on Banca Ifis's portfolios, a provincial geo-referencing of exposure was considered, identifying the provinces with the highest concentration and therefore most exposed to the effects of C&E risks.

The final result of the climate and environmental risk materiality assessment is a heatmap, constructed based on an approach that considers impact analysis by probability and is linked, on the basis of potential materiality, to the different departments of the Bank and the Subsidiaries.

Analyses show that the most economically significant branches, most exposed to climate and environmental risks, are located in the provinces of Milan, Pisa, Naples, Pescara and Rome, accounting for approximately 33% of net banking income; in all, foreign subsidiaries are exposed to low climate risks.

The update of the Materiality Assessment exercise introduced the following innovations in relation to operational risk. In this regard the Banca Ifis Group:

- has incorporated the "Business Continuity Plan" according to the specificities of the extreme climatic and environmental events analysed. In addition, the Bank extended the analysis to include the potential impacts to the Group resulting from the impairment of the operations of the foreign subsidiaries;
- it also assessed, through geo-referencing of customers in the Npl portfolio, the potential impact of possible interventions by the legislator to support populations affected by extreme weather events that may lead to the suspension of the repayment of Npl and salary-backed loan realignment plans. The most economically significant operations exposed to high climate and environmental risks are located in the provinces of Rome, Latina, Naples, Salerno, and Turin, for a total of ~23% of the perimeter considered (Npl and Cap.Ital.Fin.), with an overall medium-high risk. On the remaining approximately 77% of the perimeter distributed throughout the country, the Bank is exposed to medium to low climate and environmental risks;
- it applied a risk assessment methodology that involves identifying relevant stakeholders sensitive to potential lawsuits by NGOs/activists, quantifying the degree of sensitivity and assessing the impact and likelihood of occurrence, in order to obtain an overall score.

Reputational risk

[E1.IRO-1 AR 12]

Risk type	Transmission channel	Description	Time horizon
Transition risks	Exposure to high C&E risk segments	The Bank may be exposed to investors and stakeholders on the development of the share of exposure to high-risk C&E sectors	Short-term
	Non-alignment with Net Zero targets	Having ambitious targets on NZBA's emission-intensive priority sectors could expose the bank to a misalignment that could have a significant impact on multiple stakeholders	Short-term
	Non-compliance with C&E regulations and expectations	The Bank must be aligned with C&E risk expectations and evolving regulations in the European Union, which may lead to further inspections by supervisory authorities and fines for non-compliance	Short-term
	Risk of greenwashing the product offering	The Bank is exposed to the risk of disclosing 'green' products without sufficient evidence of their 'green' impact	Short-term

[E1.IRO-1 AR 13]

With regard to reputational risk, scenarios have been identified, such as non-compliance with C&E regulations or non-alignment with decarbonisation objectives, which may generate risk through stakeholders sensitive to the topics impacted.

More specifically, to analyse the climate and environmental effects on reputational risk, a framework made up of four distinct steps was constructed:

- identification of reputational risk scenarios based on the C&E risk taxonomy;

- identification of relevant stakeholders (suppliers, investors, supervisor, employees) and quantification of their degree of sensitivity to the different scenarios;
- risk assessment, for each scenario, including analysis of the impact and probability of occurrence in order to obtain an overall risk score;
- aggregation of results, applying weighting factors based on the relevance associated with the stakeholders.

Based on the analyses of the most relevant reputational risk scenarios, the Bank is exposed to a moderate overall risk.

Liquidity risk

[E1.IRO-1 AR 11]

Risk type	Transmission channel	Description	Time horizon
Physical risks	Bank Run	Physical risks can damage real estate or company property, potentially causing an increase in demand for liquidity and the withdrawal of some deposits	Long-term
Transition risks	Financing cost	Potential impact on the cost of funding from worse access to liquidity for institutions not aligned to a Net Zero economy	Medium-term

[E1.IRO-1 AR 13]

Following the materiality analyses, the Bank assessed the possible need to apply corrective measures to the way liquidity reserves are managed, as well as to the provisioning of funds; specifically, the Bank conducted a sensitivity analysis of the LCR (Liquidity Coverage Ratio) regulatory indicator by applying stress assumptions to both available reserves and net outflows based on the dynamics observed on certain reference scenarios. The analysis showed that the liquidity risk from a climate and environmental perspective is non-material: therefore, there is currently no need to apply corrective measures to the way liquidity reserves are managed with a view to integrating climate and environmental risks. However, the Bank will continue the monitoring analysis of potential risks and the related impacts related to this risk exposure, as well as in evaluating the adoption of any safeguards that may become necessary in time.

Opportunities

The Group integrates into its strategic and financial planning the prospective opportunities for the future from a climate perspective, in accordance with its business model. The Group mapped climate-related opportunities by grouping them into two areas:

- the ecological transition, which includes projects aimed at generating energy from renewable sources and innovative solutions for the energy transition, as well as support for SMEs in obtaining capital (through the NRRP, European Investment Bank, EIB, etc.) to meet environmental and/or Industry 4.0 objectives (e.g. through Nuova Sabatini on environmental investments);
- sustainable mobility, which includes the development of sustainable mobility products and services, the strengthening of the leasing market for low environmental impact vehicles and the entry into the leasing sector for alternative mobility (e.g. e-bikes).

As mentioned, moreover, over the years, the Group has implemented several innovative projects to spread awareness of the business culture with the aim of supporting Italian SMEs not only through financial products and services, but also by narrating and highlighting the most virtuous realities, which can act as a guide for those who want to do sustainable business.

Furthermore, the Banca Ifis Group is already collaborating with several leading financial and non-financial partners in the energy transition to take an active part in the international effort to combat climate change. Finally, by joining the Net Zero Banking Alliance in 2021, the Group has already started a process of gradual decarbonisation of the, albeit small, portion of its high-emission banking portfolio.

[E1.IRO-1 AR 11,12]

The evidence from the materiality assessment and the risks found to be material in the short-, medium- and long-term, enabled the Bank to orientate and identify different climate and environmental risk management strategies. Specifically, the Bank has identified the following mitigants and measures:

- inclusion within the Risk Appetite Framework (RAF) of an indicator to monitor the percentage of exposure to assets classified as high transition risk with respect to the banking group's total exposure;
- update and monitoring of the results of the materiality exercise once a year;
- annual update of the Bank's risk taxonomy document and transmission channels for climate and environmental risks.

[E1.IRO-1 AR 11c,12b,c]

Reference segments	% exposure
Very high and high C&E sectors	22%
Moderate C&E risk sectors	45%
Low Risk C&E Sectors	27%
Individuals and PA	6%
Total	100%

Climate and environmental sectors considered to be at 'Very High' and 'High' risk include Chemical Industry - Commodities and Specialities, Manufacture of Coke and Coke Products, Crude Oil Extraction, Logistics and Land Transport, Automotive - Manufacturing, Food Industry, Crops and Forestry, Rubber and Plastics Industry, and others.

[E1.IRO-1 DP 21]

The materiality assessment on credit risk has also enabled the creation of a sectoral heatmap to identify the C&E risk areas in the credit portfolio, including:

- heatmap of climate transition and environmental risk at sector level;
- bottom-up analysis of physical risk at the customer level using geo-referencing.

Heatmap of climate transition and environmental risk at sector level

In order to identify the sectors of economic activity in the loan portfolio that present the greatest climate and environmental risks, the Bank has conducted an assessment activity, grouping these sectors into homogeneous groups based on the sector of economic activity of the counterparties analysed (ATECO code).

In order to construct a segmental heatmap showing the portions of the portfolio exposed to different types of risk, the Bank has therefore:

- identified transition risks using a "top down" approach: for each macro segment of economic activity, a risk score on a scale of 1 (Low) to 4 (Very High) was associated with third-party info providers;
- identified physical risks through a "bottom up" approach: each counterparty, associated with a particular segment of economic activity, was analysed punctually by geo-referencing their respective

production/legal locations, a process that made it possible to identify precisely the physical risks to which the counterparties are exposed (details follow).

The sectors with very high climate and environmental risks are Chemical Industry - Goods and Specialities, Coal, Gas and Oil Extraction, Manufacture of Coke and Oil Refining Products, as well as Livestock, Crop Production and Forestry, which are downgraded from the previous update due to the integration of the new ENCORE indicators on 'Pollution', 'Biodiversity' and 'Water Use'.

In addition, it should be noted that loan assets backed by real estate to Banca Credifarma's retail customers were also included in the perimeter and categorised as exposures with moderate transition risk. A project has been launched, in fact, aimed at enabling the timely collection of the information necessary for risk assessment also on the entire portfolio of loans secured by real estate (e.g. Employee loan for first homes); activities were started, in fact, precisely with this project dedicated to employees and extended to Banca Credifarma considering the significant materiality, with the aim, in the long run, of extending the collection of information to all Group companies.

Following the initial findings of the materiality exercise, the Bank proceeded with the identification of various strategies to monitor and control climate and environmental risks. Specifically, the Bank has identified the following mitigants and measures:

- inclusion within the RAF of an indicator to monitor the percentage of exposure to assets classified as high transition risk with respect to the banking group's total exposure;
- inclusion within the RAF of two indicators to monitor the percentage of exposure to territories (Italian municipalities) classified as high flood and/or mudslide risk with respect to the banking group's total exposure;
- update and monitoring of the results of the materiality exercise once a year;
- annual update of the Bank's risk taxonomy document and transmission channels for climate and environmental risks.

In addition to the mitigation and monitoring measures already implemented, the Bank has worked on (i) the implementation of a strengthened credit framework from an ESG perspective, (ii) the strengthening of ESG analyses for credit operations, and (iii) the development of a sensitivity analysis of the loan portfolio with respect to climate and environmental risk issues.

[E1.IRO-1 AR 14,15]

Climate Stress Test and the scenarios considered

In line with the Bank of Italy's expectations on climate and environmental risks, the parent company Banca Ifis carried out a sensitivity analysis of the loan portfolio in 2024 with respect to climate and environmental risks. In this context, the Group independently conducted a simplified Climate Stress Test exercise that considers the short-term (i.e., 3-year) climate scenarios shared by the ECB during the 2022 Climate Stress Test exercise, leveraging the same framework and satellite models as the ICAAP stress test.

In order to guarantee consistency of the scenario with the current economic context, the macroeconomic projections were prepared by applying the shocks (i.e. deviations from the baseline scenario) of the "Short-term disorderly"[12] of the 2022 Climate Risk Stress Test to the latest baseline projections underlying the budget[13]. This approach ensures uniformity and comparability of results between the Budget (baseline) scenario and the Stress Test Core (ICAAP) scenario.

12 In contrast to the 30-year long-term scenarios, the "short term disorderly" scenario anticipates the long-term effects of a plausible severe event; however, this scenario does not fully reflect the benefits of the transition and the related economic recovery that could be considered in a long-term scenario.

13 Source: Prometeia.

Results of the Climate Stress Test on Credit Risk

The exposures analysed in the climate stress test coincide with those considered in the core ICAAP exercise, covering about 70% of the Group's total performing portfolio. Government bonds are mainly excluded, as they do not fall within the scope of analysis, not even in the ECB's 2022 Climate Stress Test.

The impact of the climate scenario on the profit and loss account was estimated in terms of value adjustments and Npe ratio ("Non-Performing Exposure ratio"), using the same methodological infrastructure as in the ICAAP core scenario and thus ensuring comparability of results. In addition, the severity of the Core ICAAP scenario is aligned with that of the EU-Wide Stress Test 2023, ensuring consistency in risk analysis.

[E1.IRO-1 DP 12d]

In light of the above analyses, the Group aims to cultivate its competitive advantage by continiusly monitoring the evolution of the emissions financed in its portfolio and taking concrete action to fulfill its commitments, including by developing dedicated products and services to support our companies in their path of innovation and growth towards a transition to a low-emission economy.

In addition to this, the Bank has identified segments that are not compatible with the level of ESG risk and compliance with the Code of Ethics (i.e., Sensitive Segments Policy), and therefore excluded from any type of transactions and financing. Some of the most relevant segments in terms of combating climate change include:

- nuclear energy;
- tobacco cultivation and production;
- production of controversial weapons (i.e. antipersonnel mines, cluster bombs and munitions, chemical, bacteriological or nuclear weapons, weapons of mass destruction banned by international treaties);
- coal mining;
- unconventional oil & gas[14].

[E4.IRO-1 DP 17a,c]

In a parallel fashion, with reference to biodiversity and ecosystems, the Bank identified material impacts, risks and opportunities only for its downstream value chain, with a particular focus on customers. The identification of impacts, risks and opportunities was carried out as part of the double materiality assessment and supported by the evaluations of the functions and analyses performed by the Risk Management function on the loan portfolio.

[E4.IRO-1 DP 17b]

Furthermore, the analysis of the organisation's possible dependencies with respect to the topic at hand was carried out by adopting a qualitative approach, based on an assessment of the interactions between the company's activities and the natural environment. The survey conducted revealed no significant evidence of direct or indirect dependencies on biodiversity, ecosystems and related services, either within their operating sites or along the entire value chain.

[E4.IRO-1 DP 17c]

With regard to opportunities, the assessment process was carried out by the functions taking into account potential business developments related to the protection, restoration and regeneration of ecosystems and the sustainable use of natural resources.

[E4.IRO-1 DP 17d]

With regard to risks, the analyses performed by the Risk Management function on the Bank's loan portfolio considered both physical and transitional risks. The former were considered through the integration of

14 Tar sands, shale/tight oil and gas, onshore/offshore oil and gas in the Arctic region, oil in the Sacred Cape area of the Amazon, unconventionally extracted liquefied natural gas.

NATURA2000 analyses, which made it possible to identify the 'High Biodiversity' areas in Italy and to measure the impact that businesses located in neighbouring areas could have. The latter were considered through the integration of the ENCORE biodiversity detail score, which made it possible to identify potential biodiversity risks from the exploitation of terrestrial and marine resources on portfolio counterparts. Finally, with regard to the analysis of systemic risks, physical risks and dependencies in relation to the conservation of biodiversity and ecosystems were considered, highlighting on the one hand positive impacts resulting from sustainable financing, and on the other hand reputational and credit risks linked to the loss of biodiversity.

[E2.IRO-1 DP 11a]

[E3.IRO-1 DP 8a]

[E5.IRO-1 DP 11a]

Following the double materiality assessment process described above, no material impacts, risks and opportunities were identified in the areas of pollution, water and marine resources and the circular economy.

[E2.IRO-1 DP 11b]

[E3.IRO-1 DP 8b]

[E5.IRO-1 DP 11b]

These considerations were derived from the informed assessment made by internal stakeholders and top management, which took into account the Group's business model, core activities, and the impact and risks of these topics on portfolio counterparties.

[G1.IRO-1 DP 6]

4. Reporting on material IROs

In the double materiality assessment process used to identify material impacts, risks and opportunities with regard to business conduct, the stakeholders involved in the assessment took into account the Group's business activity, the geolocation of activities located in Italy and the downstream and upstream value chain.

2. Environment

2.1 Disclosures pursuant to Article 8 of Delegated Regulation (EU) 2020/852 (Taxonomy Regulation)

The European Taxonomy, as defined by the Regulation (EU) 2020/852 (EU Taxonomy Regulation), establishes a system for classifying economic activities as climate and environmentally sustainable by defining specific scientific and performance criteria for identifying such activities. According to the European Taxonomy, economic activities can be considered eligible or non eligible for the Taxonomy, based on the presence or absence of the description of such activities within the Delegated Regulations governing the criteria for defining an activity as environmentally sustainable. An eligible activity is defined as environmentally sustainable, i.e. aligned with the Taxonomy, if it generates a substantial contribution to at least one of the six environmental objectives[15] by fulfilling the criteria provided by Delegated Regulation (EU) 2021/2139, which was supplemented in 2023 by Delegated Regulation (EU) 2023/2485. The latter introduces the criteria for the remaining four environmental objectives (sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems) in addition to the first two objectives (climate change mitigation and adaptation) governed by the 2021 Delegated Regulation.

Article 8 of Regulation (EU) 2020/852 introduces at European level, as of 1 January 2022, a Taxonomy disclosure requirement on companies and financial market participants required to report a Sustainability Statement, as set forth in Directive (EU) 2022/2464 (CSRD). In line with regulatory requirements, from FY 2023 the Banca Ifis Group has reported the portion of its on-balance sheet and off-balance sheet assets eligible and aligned to the EU Taxonomy.

Delegated Regulation (EU) 2021/2178[16] defines the methodology and indicators for reporting required under the Taxonomy Regulation. Article 4 of the forementioned Regulation provides that credit institutions shall, from FY 2023 onwards, make the required disclosures on the basis of the specifications in Annex V and that the information shall be presented in tabular form using the templates in Annex VI. Specifically, the key performance indicators (hereinafter also KPIs) required for credit institutions are:

- the Green Asset Ratio (GAR), which indicates the ratio of the credit institution's assets that finance economic activities aligned with the taxonomy or are invested in such activities to total covered assets;
- KPIs for off-balance sheet exposures, which indicate the share of assets underlying the off-balance sheet exposures aligned with the taxonomy. With reference to FY 2024[17], this disclosure is required in relation to:
  - financial guarantees supporting loans and advances and other corporate debt instruments (FinGuar KPI);
  - assets under management (AuM KPI).

Credit institutions shall represent key performance indicators in tabular format, using the templates provided by Annex VI to Delegated Regulation (EU) 2021/2178, i.e:

- Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation Template 1 - Assets for the calculation of GAR: the template contains evidence of on-balance-sheet and off-balance-sheet exposures, showing eligible exposures aligned with environmental objectives;

---

[15] *The six environmental objectives of the Taxonomy: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.*

[16] *Delegated Regulation (EU) 2021/2178 as supplemented by Delegated Regulation (EU) 2022/1214 and Delegated Regulation (EU) 2023/2486.*

[17] *Trading book KPI and Fees and commissions KPI will have to be published by credit institutions as of 1 January 2026.*

- Template 2 - GAR: Sector information: the template contains evidence of exposures (overall and aligned to each of the environmental objectives) to non-financial corporations by breaking them down according to their prevailing NACE code;
- Template 3 – GAR KPI stock: the template contains evidence of GAR values on the stock of loans and advances, debt securities and equity instruments calculated from the information in Template 1;
- Template 4 - GAR KPI flow: the template contains evidence of GAR values on the flow of loans and advances, debt securities and equity instruments, generated during the financial year;
- Template 5 - KPI off-balance-sheet exposures: the table contains evidence of the stock and flow values for the FinGuar KPI and the AuM KPI, respectively, for the KPIs on financial guarantees and asset under management calculated from the information in Template 1.

Each template is published in two versions: using as the eligibility and alignment KPIs on Capex (capital expenditures) and Turnover reported by counterparties subject to CSRD as a weighting factor.

As of 1 January 2023, the relevant legislation also requires financial undertakings to provide specific disclosure with respect to their exposures, to certain nuclear and fossil gas-related activities, in accordance with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, amending Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2021/2178. The supplement to Delegated Regulation (EU) 2021/2178 provides for an additional quantitative disclosure on exposures related to the nuclear and fossil gas sectors consisting of 5 Templates (as required under Annex XII of said Regulation):

- Template 1: Nuclear and fossil gas related activities;
- Template 2: Taxonomy-aligned economic activities (denominator);
- Template 3: Taxonomy-aligned economic activities (numerator);
- Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities;
- Template 5: Taxonomy non-eligible economic activities;

Each template is published in two versions, using the Capex (capital expenditures) and Turnover data of CSRD counterparties active in the nuclear and fossil gas sectors as a weighting factor. Furthermore, in line with regulatory guidance, the 5 Templates provided are filled in for each of the applicable KPIs published in the Taxonomy Disclosure.

Approach adopted for the identification of eligible and aligned activities

The FY 2024 disclosure is based on the gross carrying amount of assets on the financial statement as at 31/12/2024[18], and refers to the scope of prudential consolidation as indicated by the regulations[19].

Banca Ifis Group, for FY 2024, in accordance with the availability of counterparty data, reports information using reported data, as required by regulations.

In assessing the eligibility and alignment of exposures, the Group included the following on balance sheet exposures in its analysis:

- Loans and advances to businesses

18 Off-balance sheet exposures are excluded.

19 Annex V of Delegated Regulation (EU) 2021/2178 requires credit institutions to report relevant KPIs based on the scope of their prudential consolidation determined in accordance with Title II, Chapter 2, Section 2 of Regulation (EU) No. 575/2013.

For the assessment of the taxonomy-aligned, eligible and non-eligible exposures to[20] financial and non-financial undertakings subject to CSRD, the Group used taxonomy data published by the counterparties in relation to the 2023 reporting year, provided by external infoproviders.
In particular, the following were used:

- for non-financial undertakings and credit institutions: the KPIs of eligibility and alignment, in terms of capital expenditures (Capex) and in terms of turnover, towards the six environmental objectives defined by the Taxonomy [climate change mitigation (CCM), climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), protection and restoration of biodiversity and ecosystems (BIO)];
- for insurance undertakings: the eligibility and alignment KPIs published with reference to underwriting and investment activity, detailing the contribution to the 6 environmental objectives[21];
- for undertakings operating in the nuclear and fossil gas sectors, eligibility and alignment data published in the dedicated disclosures required by the regulations were retrieved.

- Debt securities (including green bonds) and equity instruments

For the purpose of calculating the GAR, debt securities for which the use of proceeds is known are included among other exposures. In particular, the regulations stipulate that bond issues designated as green bonds by issuers are to be assessed according to the level of alignment with the taxonomy of economic activities or projects financed, based on specific information provided by the issuer.
During 2024, Banca Ifis Group carried out checks to identifypossible exposures in Green Bonds aligned to the Taxonomy, also with the support of primary market infoproviders. However, the analyses revealed the absence of information, provided by the issuers, on the Taxonomy alignment shares.
The Bank, therefore, assesses the eligibility and alignment of all bonds in the portfolio, including those that could be associated with the financing of green projects, by considering the Taxonomy KPIs published by the counterparties in relation to the FY 2023 and provided by an external infoprovider (see what is indicated for exposures related to "Loans and advances to financial and non financial undertakings").

- Loans and advances to households collateralised by residential immovable property

With regard to exposures associated with loans to retail customers (referred to as “households”) for the acquisition and ownership of buildings, Banca Ifis Group analysed its loans portfolio by assessing exposure, date of disbursement, residual life and classification of the outstanding relationship. On the basis of this analysis, the Bank decided to retrieve the information of the energy certifications of the loans disbursed to employees through an internal campaign, and to exclude residential mortgages in run-off and non-performing loans classified as bad loans, as they were maturing mortgages, with an issue date that was not recent and for which the retrieval of the information was not material for the purposes of the taxonomy alignment analysis.

20 The reference perimeter is made up of Italian-based companies included in the Consob list of entities that have published a Sustainability Statement (or Non-Financial Statement) as at 25 September 2024 (latest update available) and the Group's customers based in Europe, for which the Bank has an exposure of more than 100.000 Euro, who have published a Sustainability Statement (or Non-Financial Statement).

21 In order to consider both businesses in which the insurance undertakings are active, the Banca Ifis Group decided to use an arithmetic average of the KPIs provided by the counterparties for FY 2024. This approach was adopted in line with the indications given in Commission Communication C/2024/6691 of 8 November 2024.

In order to assess the alignment of exposures (i.e. employee loans) with the technical screening criteria for the Climate Change Mitigation Objective, set forth in Delegated Regulation (EU) 2021/2139[22], a three-step distinctive process was adopted:

- a check was made on the year of construction of the buildings used as collateral for the loans granted by the Bank, distinguishing between buildings built before and after 31 December 2020;
- the Bank then carried out some controls to verify compliance with the substantial contribution criteria[23]:
  - in the case of loans collateralised by residential immovable property built before 31 December 2020, the building has at least an energy performance certificate (EPC) class "A" or a Building Energy Performance (Primary Energy Demand, PED) falling within the TOP 15% of the national or regional building stock;
  - in the case of loans collateralised by residential immovable property built after 31 December 2020, it was verified that the PED was below the threshold set for Nearly Zero-Energy Building (NZEB) requirements of the climate zone to which they belong, reduced by 10%;
- subsequently, for buildings meeting the above substantial contribution criteria, the Bank verified that the financed residental immovable properties do not significant harm the Climate Change Adaptation objective, in order to verify the compliance with the DNSH criteria (Do No Significant Harm criteria). To do so, a further examination of the physical risk associated with the province where the financed properties are located was carried out. This assessment was conducted through the use of the physical climate risk assessment template already in use by the Bank's Risk Management structure, which weights risks on the basis of the business sector considered, with particular reference to the "Real Estate Activities" sector. Properties with a physical risk other than "High" and "Very High" were considered aligned according to the template developed internally.

- Retail – Credits consumptions for the purchase of motor vehicles (Ifis leasing)
  With reference to loans granted to households for the purchase of motor vehicles, the Bank carried out a series of checks during 2024 to identify the share of EU Taxonomy eligible and aligned exposures, based on the requirements of the reference regulations[24], by analysing the information present within the Bank's systems.
  In particular, an assessment was carried out to verify compliance with the substantial contribution criteria. This verification revealed the lack of availability of the necessary information for the verification of the Do Not Significant Harm (DNSH) criterion. For this reason, Banca Ifis Group only publishes the share of exposures that is Taxonomy eligible.

Results of applicable KPIs (Template 0)

Below are reported the main results for Banca Ifis Group's share of exposures deriving from taxonomy environmentally sustainable economic activities in terms of stock and flow as of 31/12/2024:

22 See Delegated Regulation (EU) 2021/2139, Annex I, point "7.7. Acquisition and ownership of buildings”.

23 Substantial contribution assessments were performed by associating each province with the corresponding Climate Zone and verifying the PED and NZEB thresholds (threshold source: Report CTI & CRIF “Percentage-distribution-of-primary-energy-Ep-values-in-the-Italian-national-building-stock”).

24 See Delegated Regulation 2021/2139, Annex I, point "6.5 Transport by motorbikes, passenger cars and light commercial vehicles".

Template 0 - Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation - FY 2024

Main KPI	Total environmentally sustainable activities	KPIs based on Turnover	KPIs based on Capex	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Green asset ratio (GAR) stock	Environmentally sustainable activities based on: Turnover: 100,7 million EUR Capex: 147,8 million EUR	0,9%	1,3%	81,2%	56,3%	18,8%

Additional KPIs	Total environmentally sustainable activities	KPIs based on Turnover	KPIs based on Capex	% coverage (over total assets) *	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
GAR (flow)	Environmentally sustainable activities based on: Turnover: 295,5 million EUR Capex: 560,5 million EUR	0,6%	1,2%	96,4%	67,5%	3,6%
Trading book (**)						
Financial guarantees						
Asset under management						
Fees and commissions income (**)						

** The values were calculated using the Total Covered Asset (TCA) as the flow numerator and the Total Asset of the Banca Ifis Group (TA) as the denominator in terms of flow, relative to exposures for the reporting year (FY 2024). This approach, in line with the regulatory guidance set out in Commission Communication C/2024/6691 of 8 November 2024 (see FAQ 65), has been updated compared to the disclosure provided in the previous year.*
*** These KPIs will be reported by Banca Ifis starting FY 2025 and therefore subject to publication starting 2026.*

The results deriving from the application of the regulations described above, are strongly impacted by the nature of Banca Ifis Group's business, specialised and diversified in financial services for Small and Medium-sized Enterprises (SMEs), typically not subject to the CSRD Directive and therefore not able to be considered in terms of identifying EU Taxonomy within eligible and aligned assets for the EU Taxonomy disclosure.

Banca Ifis Group, for the purposes of calculating the Green Asset Ratio (GAR), has considered, in line with regulatory requirements, total covered assets of 11.436,2 million Euro (81,2% of total assets) as the denominator, thus excluding from total assets the exposures in central governments, central banks, supranational issuers and the trading portfolio. The main results for the share of exposures arising from economic activities aligned with the Taxonomy in terms of stock as at 31/12/2024 is:

- 100,7 million Euro and corresponds to 0,9% of the total covered assets (0,3% at 31/12/2023), using turnover as a risk weight for exposures;
- 147,8 million Euro and corresponds to 1,3% (0,7% at 31/12/2023) of the total covered assets, using capex as a risk weight for exposures.

The increase in activities aligned with the Taxonomy is mainly due to the availability of new information from counterparties companies subject to CSRD obligations: in particular, for this reporting, reference is made to the eligibility and alignment KPIs published by financial and non-financial counterparties, which, more than last year have respectively reported their alignment shares (Capex and Turnover) towards the first two environmental objectives [climate change mitigation (CCM) and climate change adaptation (CCA)] and their eligibility shares (Capex and Turnover) towards the remaining 4 environmental objectives [sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO)][25]. With reference to the other exposures contributing to the GAR, in particular loans to households collateralised by residential immovable property, there are no particular deviations from what was reported in the previous year; this result is in line with the business carried out by Banca Ifis Group, within which these types of exposures are not significant.

With regard to off-balance sheet assets, there are no exposures aligned with the Taxonomy associated with Financial Guarantees as there are no guarantees granted to companies subject to CSRD. The indicator for exposures related to Assets under Management is not applicable for Banca Ifis, as the bank does not provide individual/collective asset management services.

The 'Other sustainability information' section reports:

- the key performance indicators required by Article 8 of the EU Taxonomy Regulation in tabular format, using the templates in Annex VI of Delegated Regulation (EU) 2021/2178;
- the disclosure required by Commission Delegated Regulation (EU) 2022/1214 in respect of the Banca Ifis Group's exposures to economic activities in certain gas and nuclear energy sectors, using the templates in Annex XII to the Delegated Regulation (EU) 2021/2178.

25 Where available via infoprovider, the alignment KPIs published, one year in advance of the regulatory request, by non-financial counterparts on the 4 additional environmental targets defined by the EU Taxonomy were also retrieved.

2.2 ESRS E1 - Climate change

2.2.1 Transition Plan

[E1-1 DP 14]

Aware of its role and contribution in sustainable development processes and its commitments to decarbonising its portfolio, the Group aims to achieve sustainability targets through a dedicated Transition Plan. In line with good market practice and the goal of limiting global warming to 1,5°, the Bank has developed a Climate Change Transition Plan in order to achieve its targets for the most relevant sectors, also integrating initiatives with specific business opportunities and related monitoring.

[E1-1 DP 16a]

Banca Ifis has defined a structured monitoring process of the financed issues and the definition of specific targets related to the highest impact sectors, with particular reference to automotive (Auto Leasing, Truck Leasing, Automotive Manufacturers and Distributors[26]), which accounts for more than 80% of the financed exposures and issues. These targets are based on scientifically validated decarbonisation scenarios that comply with international standards. Banca Ifis was also the first Italian challenger bank to join the Net-Zero Banking Alliance (NZBA), an UN-sponsored initiative that calls on participating banks to align their lending and investment portfolios with the goal of net-zero emissions by 2050, in line with the Paris Agreement.

In this context, the European automotive industry, including the Italian one, is going through a significant transformation phase, characterised by a slowdown in the demand for electric vehicles (EVs) and increasing international competition.

According to ACEA data[27], electric car registrations in the European Union dropped by 5,9% in 2024, totalling 1,44 million units sold. This drop was particularly noticeable in Germany, where sales fell by 27,4% due to the reduction of government incentives for the purchase of electric vehicles. France and Italy also saw a decrease in sales, while the UK saw an increase of 21,4%, making it the largest European market for electric vehicles.

Registrations of plug-in hybrid vehicles (PHEVs) in the European Union also increased by 4,9% year-on-year to a total of 1,1 million units sold. However, despite this increase, the market share of PHEVs decreased from 19,9% to 15,4% in 2024, indicating a growing consumer preference for all-electric vehicles (BEVs). In Italy, the situation is similar: in 2023, PHEVs accounted for 4,1% of total registrations, placing them among the last in Europe.

These data show a major shift in consumer preferences for all-electric vehicles, with a decrease in the market share of PHEVs and full electrics.

This market trend is part of the growing presence of Chinese-made electric vehicles on the European market and represents a significant challenge for local manufacturers. According to Transport & Environment (T&E)[28], one in four electric vehicles sold in Europe will be from China in 2024. This trend underlines the need for Europe to develop a domestic production chain, particularly in the battery sector, in order to reduce import dependency and strengthen the competitiveness of the European automotive industry.

To meet these challenges, European manufacturers must accelerate innovation in the EV sector, improve charging infrastructure and develop competitive strategies to counter the advance of Chinese brands. Furthermore, it is

26 Portfolio composition as at 31 March 2022, latest available emission data.

27 https://www.acea.auto/pc-registrations/new-car-registrations-0-8-in-2024-battery-electric-13-6-market-share/

28 https://www.transportenvironment.org/te-italia/articles/un-veicolo-elettrico-su-quattro-venduto-nel-2024-in-europa-sara-prodotto-in-cina?utm_source=chatgpt.com crucial that Europe invests in local battery production. According to T&E[29], the EU has the potential to produce 56% of its cathode demand by 2030, but current production is still limited. Stronger actions and more financial support from the EU and Member States are needed to scale up production.

To achieve these goals, it is crucial that Europe and Italy invest in the development of a local battery production chain and the expansion of charging infrastructure. Furthermore, the implementation of supportive policies, such as incentives for the purchase of electric vehicles and investment in infrastructure, will be crucial to stimulate demand and support the local automotive industry.

[E1-1 DP 16b]

With reference to GHG emission reduction targets (see ESRS E1-4 for further details) and climate change mitigation actions (see ESRS E1-3 for more details), an explanation of the identified decarbonisation levers and main planned actions, divided between financed and own GHG emissions, is provided below.

Financed GHG emissions - Product and service portfolio

Car leasing: Banca Ifis has set ambitious targets for the car leasing sector with a target to reduce financed emissions from 130 gCO_2e/km in 2019 to 85gCO_2e/km by 2030. The current car leasing portfolio consists of approximately 40% hybrid or electric-powered vehicles, with a 50% increase in hybrid engines by 2021.

The Bank also carries out prospective analyses on the portfolio's counterparties, assessing the possible evolution of the vehicle mix and the roll-overs of the main strategic manufacturers for the Group, both in terms of volumes and for meeting sustainable targets. These analyses make it possible to monitor the alignment to the defined targets, also considering possible portfolio recompositions or regulatory adjustments.

The Group has also forged strong partnerships with major and strategically important companies in the sector, including manufacturers specialising in full electric vehicles, promoted initiatives dedicated to these products and launched awareness and promotional campaigns via social channels and the company website. Finally, there are volume-related incentives for these products (e.g., photovoltaics, recharging systems, full electric cars and e-bikes) and awareness-raising activities on ESG topics promoted by the sales network, in support of the Group's sustainable mobility strategy.

Truck leasing: Banca Ifis aims to reduce financed emissions by 30% from 52 gCO_2e/tkm in 2020[30] to 37 gCO_2e/tkm by 2030. In particular, commercial vehicles and semi-trailers play a central role in achieving the Group's objectives, as they contribute significantly to the economic result, accounting for about 30% of the volumes of the Auto Leasing segment. The truck leasing portfolio also shows a shift towards CNG engines, which offer lower emissions than traditional diesel engines, confirming the Bank's commitment to more sustainable mobility solutions.

Automotive Manufacturers and Distributors sector: Banca Ifis aims to reduce its financed automotive emissions from 153 gCO_2e/km in 2019 to 85 gCO_2e/km by 2030. This target is in line with the targets set at European level and confirms the Bank's commitment to environmental sustainability in the automotive sector.

To this end, the Group has integrated ESG criteria into its credit assessment process to analyse and classify sectors according to the environmental, social and governance risks associated with their activities, enabling a targeted assessment of the sustainability of credit-steering counterparties. Based on the analysis carried out in this context, an approval process based on specific rules is also envisaged, including possible progressive approval mechanisms.

29 https://www.transportenvironment.org/te-italia/articles/batterie-per-auto-elettriche-quelle-made-in-eu-potrebbero-essere-fino-al-60-meno-inquinanti-di-quelle-cinesi?utm_source=chatgpt.com

30 Issue data as at 2020 for application of EU Regulation 2019/1242 on HGV emission targets

Own GHG emissions - Sustainable mobility

Company fleet renewal: as part of the Ifis Leasing Green initiative, the Group has signed an agreement with Stellantis to renew company fleets, aiming to make more than 50% of vehicles hybrid or electric by 2025. This project aims to strengthen the transition to more sustainable mobility and reduce emissions.

Electric charging devices for passenger cars: the Group continued to develop the project for the installation of electric charging devices for passenger cars. This project aims to increase the number of existing charging points at major company locations by 2025.

Own GHG emissions - Use of energy from renewable sources and energy efficiency

Purchase of electricity from renewable sources: since 2021, the Group has been using exclusively green energy from 100% renewable sources (e.g. wind, photovoltaic, geothermal, hydroelectric, biogas, biomass) for the supply of all offices and branches in Italy.

Ordinary and extraordinary renovations and upgrades of premises: the Group has been committed for several years to plant design according to the best available energy efficiency technologies and to the procurement of 100% renewable energy from the grid or self-produced.

Development of solutions to self-produce energy from renewable sources: in November 2024, a new photovoltaic system was activated, with a capacity of approximately 180 kWp, on the roof of the Mondovì office building with the aim of reducing the direct impact of the building itself by around one third of consumption.

Other initiatives to support decarbonisation

New products for sustainable mobility: in 2023, Banca Ifis launched the 'e-bike rental' product to promote sustainable mobility and support active tourism. This initiative is mainly aimed at small and medium-sized enterprises in the tourism and hospitality sector that want to equip themselves with fleets of electric bicycles to improve their offer. The Bank also extended its range of products related to sustainable mobility by introducing leasing and rental options for electric quadricycles, in line with the Group's sustainability strategy.

Supporting decarbonisation and SMEs: the Bank signed two agreements with the European Investment Bank (EIB) in 2021 and 2024 to make available, respectively, a ceiling of 100 million Euro in loans to support SME projects with an environmental focus and 300 million Euro to support innovative investments. More specifically, the 2024 agreement is the first signed by the EIB with an Italian bank entirely dedicated to promoting innovation initiatives under the 'National 4.0 Transition Plan'.

In addition, the Group developed a wide range of services and products including MCC Mortgages and Leasing with Sabatini Green facilitation, to finance brand new machinery, plant and equipment with low environmental impact, and Mortgages with SACE Green guarantee, dedicated to investments in line with European Taxonomy criteria.

The Bank also devoted special attention to leasing photovoltaic systems and charging stations for electric vehicles, supporting companies in their energy transition and improving their environmental efficiency through removable capital goods.

Finally, the Group is developing several agreements with external partners to offer ESG services within the 'myIfis' platform, with the aim of supporting SMEs in their sustainable transition path.

[E1-1 DP 16h]

Sustainability is integrated into the Bank's business model and is a crucial element for development, ensuring compatibility between business activities and environmental needs. In particular, the Group has defined its commitments within the 2022-2024 D.O.E.S. (Digital, Open, Efficient, Sustainable) Strategic Plan, with the aim of achieving the strategic objectives set out in the multi-year plan, aligning with the Bank of Italy's 'Supervisory

Expectations on Climate and Environmental Risks' and reaching Net Zero targets for financed emissions in strategic sectors. These objectives are translated into decarbonisation initiatives and strategies described with reference to E1-1 DP 6b.

[E1-1 DP 16i]

The Transition Plan was approved by the Board of Directors in September 2024, after being shared with the Sustainability Committee that same month.

[E1-1 DP 16j]

Banca Ifis has established a structured monitoring process, with a particular focus on the car leasing sector, to ensure timely and continuous monitoring of progress against set sustainability targets and implemented initiatives. This system makes it possible to analyse the performance of financed issues and assess the impact of the policies adopted, with the aim of keeping the Group's operations aligned with its stated strategic objectives.

At least annually, the data and analyses are also presented to the Sustainability Committee with a view to strategic portfolio steering. In the event of significant deviations from targets or failure to achieve expected performance, the Committee assumes a key role in developing corrective actions.

[E1-1 DP 16g]

Banca Ifis does not fall into any of the categories foreseen by European legislation for exclusion from the EU-Paris Aligned Benchmark (EU PAB).

2.2.2 Energy, adaptation and mitigation of climate change

Material impacts, risks and opportunities

[E1.SBM-3 DP 18]

Credit institutions are exposed to climate-related risks and opportunities mainly through lending activities, as well as through other financial intermediation activities and proprietary investment operations. As financial intermediaries, banks may assume significant climate-related risks through their transactions with their customers and counterparties.

It is essential that banks disclose potential climate-related issues that could have a financial impact on the organisation by providing, as set out below, a description of the methods used to determine the main climate-related risks and opportunities for the Banca Ifis Group.

Risk type

As mentioned in the chapter on General Information (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double Significance Analysis, DP 20), in determining its sustainability strategy, the Group adopted a structured approach to identify the impacts of climate and environmental risks. In defining the taxonomy of these risks, the main risk drivers associated with the climate and environment and their transmission channels were analysed within the traditional risk framework of credit institutions, depending on the Group's activities and the time horizon of propagation of the effects. Finally, the last step involved the materiality assessment of climate and environmental risks through the definition of the Materiality Assessment, in order to understand the Bank's degree of exposure and possible monitoring and mitigation strategies for these risks.

As recurrently represented in the literature, the activity is preparatory to the identification of climate and environmental risk drivers, which are grouped into two macro-categories:

- transition risks: risks associated with the transition to a low-carbon economy that is more environmentally sustainable;
- physical risks: risks associated with extreme climatic phenomena (acute) or progressive environmental degradation (chronic).

The table below describes the main categories and respective risk drivers associated with physical and transitional climate and environmental risks and their impact time horizon .

Risk type	Risk drivers		Time horizon (1)
Transition risks	Regulatory	Global policy (e.g. Paris Agreement) can limit activities and segments with a high level of emissions and environmental risk. As an example, the regulation on Energy Performance Certificates may impact the value of portfolio properties	MT
	Technological	The transition to low-impact technologies requires a higher cost for companies to retrofit plants and production facilities, potentially impacting the business model and the ability to generate revenues and profits	MT
	Market	A shift in consumer preferences towards more climate-friendly consumption potentially impacts all mayor sectors associated with high energy consumption and/or high levels of pollution or operators whose practices do not respect the diffused ESG sensitivity (e.g. reduced packaging)	MT
Physical risks	Acute	Heat waves, fires, floods, droughts, landslides, earthquakes	ST
	Chronic	Extreme temperatures, soil erosion, water stress, sea level rise	MT/LT

(1) Short-term (ST): 1-3 years, Medium-term (MT): 3-5 years, Long-term (LT): >5 years.

Based on the described drivers, the Bank has therefore assessed the degree of interconnectedness of climate and environmental risks by analysing the main transmission channels and identified the impacts generated on the traditional risks of the Group's business.

With regard to the identification of risks, the Bank has mapped climate and environmental risks with the aim of integrating them into its risk management system and assessing their materiality in terms of impact compared to traditional risks. This activity is part of the path taken by Banca Ifis, in line with the supervisory expectations published in April 2022 by the Bank of Italy and with industry best practices.

The analysis of the relevance of climate and environmental risks is conducted annually, with the aim of updating the risk management system according to the evolution of the portfolio and identifying new potential risks related to climate and environmental events.

In 2023, the Bank extended this assessment to all the Group's subsidiaries, further refining the way physical and transitional climate and environmental risks are mapped. In 2024, refinements were made to the methodology for calculating physical and transition risks, as described below. In particular, with reference to the latter risk factors, some details are given below on the drivers identified:

- physical risks: adverse weather events, both chronic and acute, were analysed, identifying the most relevant to Banca Ifis's operating environment. The assessment of the materiality of these risks was based on the potential effects on traditional risks, which were also analysed in relation to factors such as portfolio geo-referencing, business operations and key business continuity assets. Information on the likelihood of occurrence of the different risks was acquired through public infoproviders and analysed from the bottom-up;
- transition risks, the drivers identified can be grouped into three categories:
  - technological innovation, depending on the costs required to upgrade facilities and production sites, potentially impacting the business model and the ability of enterprises to generate revenues;

- regulatory evolution, depending on the restrictions and sanctions to which counterparty enterprises that are active in segments that hinder the environmental and climate objectives defined by the regulator (e.g. Paris Agreement);
- consumer preferences, dictated by an revolution towards climate-friendly consumption and a focus on ESG topics, which could also impact companies from a reputational point of view.

The information on the significance of transition risks for the Credit analysis was analysed by economic sector, using the ATECO code (top-down approach); for the Reputational and Operational analysis, they were assessed according to the estimated impact on the stakeholders deemed most significant for the Banca Ifis Group; for the Liquidity analysis, the impact on the Cost of Financing was assessed.

On the basis of the analyses conducted and the specific characteristics of Banca Ifis, the results of the materiality assessment on the main traditional risks will be provided in this section. In addition to the preliminary mapping of climate and environmental risks, this process also includes a detailed examination of the channels of transmission of C&E risks to traditional risks, the time horizons with which C&E risks manifest themselves given Banca Ifis's operations, and an assessment of materiality.

The following is a summary of the transmission channels analysed for the purpose of the Materiality Assessment, which will be further elaborated in the chapter on General Information (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double materiality assessment, DP 20).

Type of risk		Transmission channel	Time horizon
Credit risk	Physical risks	Business continuity and NPL/CQS recovery plans	MT
	Transition risks	Repayment capacity on corporate loans	MT
		Value of real estate on secured exposures	MT
Business risk	Physical risks / Transition risks	Profitability linked to segments exposed to C&E risks	MT / LT
Market risk	Physical risks	Sovereign securities portfolio	LT
	Transition risks	Sovereign securities portfolio	MT
Operational risk	Physical risks	Compromise of operating sites, prop. data centres and major IT outsourcers	MT
		Ex-lege suspension of payment flows for extreme events	MT
	Transition risks	Lawsuits by NGOs / Activists	ST
Reputational risk	Transition risks	Exposure to high C&E risk segments	ST
		Non-alignment with Net Zero targets	ST
		Non-compliance with C&E regulations and expectations	ST
		Risk of greenwashing the product offering	ST
Liquidity risk	Physical risks	Bank Run	LT
	Transition risks	Financing cost	MT

Resilience analysis

[E1.SBM-3 DP 19a]

The objective of the operating context analysis is to identify and understand the impact of climate and environmental risks on the overall ecosystem in which the Group operates, supporting strategic decisions through an integrated view of risk factors and opportunities related to climate transition considering the entire Group value chain.

[E1.SBM-3 DP 19b]

In the initial phase, the analysis focuses on drawing a clear picture of the general context related to C&E issues by identifying three main dimensions: the global environment, market trends and the competitive landscape. Each dimension has been deepened through the identification of specific drivers to interpret the main trends in the short and medium term (up to 2030).

A central element of the analysis is the study of climate scenarios elaborated by various public institutions, which allows for an assessment of the different perspectives and trajectories envisaged for the containment of climate change. This study also considers the actions taken by national and supranational governments to achieve climate neutrality by 2050, in line with the goals of the Paris Agreement.

To this end, various scenarios developed by leading global and European institutions were analysed, analysing their key features in detail (e.g., basic assumptions, type of expected trajectory, temperature targets, geographical and sectoral coverage). A special focus was on the NGFS (Network for Greening the Financial System) and IPR (International Policy Response) scenarios, which are considered the most comprehensive due to their geographical granularity and wide availability of sectoral variables.

The IPR Forecast scenario was selected as the main reference ('guiding scenario') to conduct an in-depth analysis of climate policies, assessing the impact of these policies on key sectors of the Group's portfolio in terms of risks and opportunities. Therefore, the analysis focused on the sectors identified as having a high emission impact according to the IPR Forecast and in which the Ifis Group is relevant (i.e. automotive, real estate, agriculture).

The Group's resilience analysis focuses mainly on transition risks related to climate change, without considering physical risks, and aims to provide a clear view of how climate policies will affect sectors in the short and medium term. The focus was on assessing the impacts of transition risks, examining the possible implications for the portfolio in terms of risks and opportunities.

[E1.SBM-3 AR 7b]

The time horizons considered were aligned with those used in the Group's materiality assessment, including both the medium term (2025-2027) and the long term (2028-2030). In addition, the analysis maintained alignment with the business scenarios considered to define GHG emission reduction targets by 2030, ensuring that the Group's climate and strategic assessments reflect a temporal and sectoral consistency, in line with Disclosure Requirement E1-4.

[E1.SBM-3 DP 19c]

This resilience analysis exercise is an initial contribution to understanding the challenges and opportunities arising from the climate transition, providing input that could guide future policy guidance. The results of the analysis could influence the assessment of investment opportunities and mitigation actions, both in the short and medium term, but their integration into strategic decisions is still evolving.

The results of this first resilience analysis exercise show a clear classification of value chain segments in relation to the risks and opportunities arising from the climate transition. The automotive sector segments were identified as particularly vulnerable to regulatory changes and new market dynamics; in contrast, the agricultural and real estate sectors, while presenting risks and opportunities, resulted as less relevant in terms of impact.

The main uncertainty in the analysis lies in the variability of climate policies globally and the evolution of national and supranational regulations, which could significantly affect the resilience of sectors in the long run.

In order to analyse climate policies and qualitatively assess their impact on target sectors, the Group has structured a specific framework consisting of two main macro-phases:

- identification and in-depth analysis of climate policies, to identify the most relevant policies for the sectors analysed;
- qualitative impact assessment, with the aim of defining replicable criteria for measuring the materiality of the impact of climate policies on both individual sectors and the Group's entire portfolio.

The first macro-phase is divided into three steps aiming to:

a) identify relevant policies, based on the analysis of climate initiatives highlighted in the IPR Forecast scenario;

b) deepen and verify policies by integrating the narrative of selected climate policies via the International Energy Agency (IEA) database;

c) integrate specific details in a targeted manner, including additional information such as set targets and approval paths, using additional sources (e.g. European Commission, European Parliament, Italian Government).

The second macro-phase adopts a two-step approach, dividing the sectors into key segments of their value chain. This allows for a granular analysis and precise identification of the segments most impacted by climate policies. The Group's portfolio, focusing on the Bank's performing portfolio (excluding Npls and Treasury/Central Services), was classified using the relevant ATECO codes and according to the most relevant ESG sectors, cross-referencing the areas identified by the IPR Forecast as most impacted in terms of issues.

The analysis focused on three main macro-sectors: real estate, automotive and agriculture. For each sector, an assessment of the impact of climate policies was carried out, using studies by specialised providers (e.g. IPR and IEA), supplemented by expert-based analyses. This approach made it possible to identify the risks and opportunities associated with each sector over medium (2-3 years) and long-term (up to 2030) time horizons.

To obtain a comprehensive assessment of the impact of climate policies on the Group's portfolio sectors, a methodology combining two main criteria was adopted:

- Materiality Assessment analysis, conducted by the Risk Management function, to identify sector-specific C&E risks, based on transition risk drivers derived from international provider studies and returned in the form of weighted scores;
- reconciliation with the short-term disorderly scenarios of the ECB's Climate Stress Test, in order to assess the one-year evolution of GVA (Gross Value Added) in the main macro-sectors of the Italian economy, with a focus on the most significant segments of the value chain.

Each segment of the value chain was assessed in terms of risk and opportunity, assigning a score in four levels: low, medium, medium-high and high. The results were summarised in a matrix that graphically represents the positioning of segments with respect to risks and opportunities. Based on this matrix, the segments were classified into four strategic categories:

- high-risk segments with limited opportunities, resulting in less resilience to climate transition (e.g. automotive components);
- segments with moderate opportunities, but balanced by significant risks still present in sector dynamics (e.g. food industry);
- segments with a balance of risks and opportunities, where the potential for growth or resilience (e.g. market trends and fiscal/European incentives) is held back by risks related to the climate transition, such as increased costs and regulatory pressures (e.g. farms);
- segments with greater opportunities with respect to climate transition risks, which demonstrate a greater capacity to adapt to the impacts of sectoral policies and climate transition (e.g. construction and real estate management).

[E1.SBM-3 AR 8b]

The process of analysis and identification of segments of the value chain, described above, is updated periodically, ensuring continuous monitoring of the most relevant market dynamics. Moreover, this approach makes it possible to identify, within the priority areas, the areas most exposed to risks and those offering new opportunities to be explored. This in-depth analysis contributes to enriching the information set to support the business planning process, driven by an in-depth knowledge of risk and opportunity dynamics.

Group approach and policies

[E1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Energy, adaptation and mitigation of climate change				
Improving the working environment through green building renovation	Actual positive impact	Own operations	Medium-term	• ESG Policy • Environmental Policy • Credit Policy
Generation of finance-related indirect emissions (Scope 3)	Actual negative impact	Own operations	Medium-term	
Generation of direct and indirect GHG emissions resulting in negative environmental sustainability performance (Scope 1 and 2)	Actual negative impact	Own operations	Medium-term	
Entrepreneurship development and improvement of the sustainability profile through credit access channels for SMEs and ESG performance assessments	Actual positive impact	Value chain	Medium-term	
Promotion of sustainable mobility solutions and initiatives	Opportunity	Value chain	Medium-term	
Development of initiatives to promote sustainable development policies and increased use of renewable energy sources	Opportunity	Value chain	Medium-term	
Promotion of solutions related to improved energy efficiency of operational processes	Opportunity	Value chain	Medium-term	
Promotion of products, services and initiatives to help SMEs improve their sustainable and responsible practices	Opportunity	Value chain	Medium-term	
Creation of products, possibly backed by guarantees, in support of projects pursuing environmental objectives to be disbursed to customers	Opportunity	Value chain	Medium-term	
Promotion of solutions related to improved energy efficiency of operational processes and eco-sustainability of products	Opportunity	Value chain	Medium-term	
Saving money by implementing energy efficiency initiatives and projects	Opportunity	Own operations	Medium-term	

Risks have been described in relation to the section "Energy, adaptation and mitigation of climate change" (See ESRS E1.SBM-3 DP 18)

Environmental protection and compatibility between economic initiative and ecological needs are fundamental dimensions of the Banca Ifis Group's attention to sustainability. This approach is translated into specific policies that form an integral part of the Group's sustainability framework.

Particularly focused on reducing its environmental impact, the Group adopts solutions to improve energy efficiency both inside and outside the organisation. It also strives to consolidate a culture of respect for the environment, encouraging individual and collective responsibility and encouraging the adoption of practices in line with the principles of sustainability.

ESG Policy

[E1-2 DP 24 MDR-P]

[E1-2 DP 25]

The Group's ESG Policy defines strategic sustainability guidelines, promoting the integration of environmental, social and governance factors into its strategies and operations, actively involving suppliers, customers and stakeholders along the entire upstream and downstream value chain. The main aim is to spread a culture of sustainability, encouraging responsible behaviour and the adoption of practices that consider ESG impacts in all Group operations. Through this integration, the Group aims to generate a positive impact in the creation of value for all stakeholders, contributing to the achievement of sustainable and lasting success. In particular, the Policy governs the Group's commitment in the following areas:

- environmental: improving energy efficiency with renewable sources, promoting sustainable mobility with hybrid and electric vehicles, and optimising water consumption and waste management. It also analyses climate and environmental risks annually to ensure business continuity and develops sustainable products and services, monitoring emissions in line with international standards;
- social: generating positive impacts on people and communities through projects of inclusiveness, culture and well-being, supporting art and social inclusion. It promotes a safe, healthy and discrimination-free working environment, ensuring equal opportunities and combating forced labour. It also protects human rights in all its activities;
- governance: promoting integrity and transparency, combating corruption and money laundering, and ensuring confidentiality in communications and contracts.

The above-mentioned Policy is applied and disseminated to all Group companies and stakeholders through its publication on the intranet and the corporate website. The ESG Policy is shared in advance with the Group Sustainability Committee and the Compliance department, which is responsible for assessing its compliance with the framework. Finally, it is approved by the Board of Directors, which monitors its implementation. The document is periodically updated to ensure that it is always in line with the Group's values, best practices and the context in which it operates, and has been drawn up in close connection with key international regulations, reflecting a global commitment to sustainability and social responsibility.

Standards include the UN Universal Declaration of Human Rights, which establishes fundamental principles of dignity and justice, and the 2030 Agenda for Sustainable Development, which promotes 17 global development goals. In addition, the Parent Company is committed to maintaining, under the guidance of the Chair, a dialogue with relevant stakeholders in order to understand the needs of the various stakeholders and develop response strategies consistent with the pursuit of the Group's objectives in the field of sustainability, also in relation to external stakeholders, including its customers.

As outlined in the ESG Policy, Banca Ifis has integrated the credit risk taking process and the credit assessment of customers with an in-depth analysis of variables. This approach makes it possible to identify and manage the ESG risk associated with counterparties, ensuring greater sustainability in credit decisions. The main interventions carried out in the following stages of the process are outlined below:

1. Origination phase: identification of customers whose economic sector:

- is distant from ethical principles, leading to the rejection of the business opportunity;
- belongs to a risky sectoral ESG class, triggering an enhanced underwriting process.

2. Preliminary ESG verification phase: collection of the information needed to assess the file and steer it towards the appropriate underwriting process.

3. Evaluation and deliberation phase:

- introduction, where necessary, of an enhanced underwriting workflow with escalation mechanisms;
- ESG analysis by a specialised team based on publicly available information such as climate and environmental change management and human and labour rights practices;
- enrichment of the credit appraisal with ESG assessments integrated into the overall credit analysis;
- possibility of introducing mitigation instruments, in relation to ESG risk.

The model described above was structured with the aim of systematically and thoroughly supporting the analysis conducted within the credit process. This approach makes it possible to examine, on the basis of publicly available information, the characteristics of clients in terms of ESG variables, integrating traditional financial and risk assessments with sustainability considerations. This process aims to ensure a comprehensive view of the risk associated with each counterparty, taking into account not only economic soundness, but also the impact and practices adopted by clients with respect to sustainability and social responsibility issues. The integration of ESG analysis not only fosters a more informed allocation of credit resources, but also contributes to strengthening the Bank's attention to responsible and sustainable credit management, in line with the Bank's strategic corporate objectives and growing regulatory and market expectations.

Environmental Policy

[E1-2 DP 24 MDR-P]

The Policy outlines the Group's commitments to manage its direct and indirect environmental impacts. In particular, the Group aims to reduce the environmental impact of its operations by taking effective measures to improve energy efficiency, manage resources responsibly and reduce emissions. This includes optimising the energy efficiency of the premises, using renewable sources and developing sustainable energy self-production solutions. It promotes sustainable mobility with low-emission vehicles and recharging infrastructure, as well as offsetting residual emissions with dedicated projects. Finally, with a view to the circular economy, it takes measures to reduce pollution, optimise water consumption and improve waste management. It also enhances biodiversity, constantly monitors environmental data and raises stakeholder awareness to disseminate sustainable practices.

In pursuit of its ambitious sustainability goals, the Banca Ifis Group seeks to ensure that all its economic initiatives are fully compatible with environmental requirements, in strict compliance with current legislation. The Group actively promotes a culture of sustainability among all its employees, encouraging their involvement through training, information and the clear definition of environmental responsibilities. Furthermore, transparency is a key pillar of its strategy, with the Group communicating its environmental management achievements in a clear and timely manner, adhering to international reporting standards such as TCFD and ESRS. With an ongoing commitment to improvement, the Group periodically reviews its Environmental Policy, adapting it to new requirements and changes in its activities. To support the Policy, an organisational model for managing environmental aspects is implemented, also aimed at preventing risks related to possible environmental crimes. Finally, Banca Ifis makes concrete efforts to reduce pollution by adopting organisational, operational and technological solutions that aim to continuously improve its environmental performance, with actions to monitor, measure and verify compliance with legal obligations and commitments.

The Policy described above, approved by the Board of Directors, applies to all Group companies and is publicly available on the Group's website and intranet. In addition, the Group carries out periodic policy reviews to verify its correctness and effectiveness, with a view to continuous improvement.

In implementing its banking activities and organisation from an ESG perspective, the Bank takes into account various regulations and third-party initiatives such as, as regulated in the ESG Policy, the UN Universal Declaration of Human Rights and Agenda 2030, the UN Global Compact, the recommendations of the TCFD and Directive (EU) 2022/2464.

Credit Policy

[E1-2 DP 24 MDR-P]

The Credit Policy aims to establish the principles and guidelines for the granting of credit[31], ensuring that the Banca Ifis Group's overall exposure to each counterparty complies with the document.

With reference to ESG topics and in particular to sustainability analyses, which complement the client's credit assessment, the Banca Ifis Group has identified sectors classified as more risky to which it has associated enhanced underwriting mechanisms.

This tool is inspired by the regulations issued by the Bank of Italy, in particular Circular 285/13, which defines the guidelines for the internal control system and the management of risk appetite, through the Risk Appetite Framework (RAF). In addition, Bank of Italy Circular 288/15 regulates the prudential aspects applicable to financial intermediaries. The Policy was subsequently updated in accordance with the "Guidelines on Loan Origination and Monitoring" published by the European Banking Authority in May 2020, which regulate credit operations for Banca Ifis Group legal entities, including Factoring, Corporate Banking, Lending and Leasing products, as well as for Banca Credifarma and Cap.Ital.Fin.

In this context, Banca Ifis is committed to promoting financial solutions that support the balanced growth of customers and the stability of the economic system, with a direct impact on its own business and downstream customers.

The Credit Policy, approved by the Group's Board of Directors, applies to all organisational units involved in the process and is made available on the company intranet platform.

The monitoring of ESG elements included in the Credit Policy provides for:

- the updating, once a year, of the ESG risk analysis of the various economic sectors and the assignment of the corresponding risk class;
- possible adjustments of the framework from an ESG perspective, justified by regulatory developments or managerial choices.

[E1-2 DP 25]

Regarding the integration of sustainability issues into the Bank's downstream value chain (customers), aspects of climate change mitigation and adaptation, energy efficiency and the promotion of renewable energy are regulated within the ESG Policy and the Credit Policy.

In particular, as governed by the ESG Policy (see 2.2 ESRS E1 - Climate Change, section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 25), the Group, during the assessment phase, and in compliance with the relevant operational regulations, analyses the sustainability profile of counterparties also through the use of a synthetic ESG indicator (ESG score). This indicator, provided by external providers or calculated using proprietary methodologies, is based on available information and is taken into account by a specialised team within the ESG

31 Excluding counterparties under management at Workout, Restructuring & Recovery.

assessment carried out on counterparties. The indicator includes, where available, data on the environmental sustainability of counterparts, with a focus on climate change mitigation and adaptation, energy efficiency and the use of renewable energy.

To support this activity, the Bank defined key elements related to the perimeter (e.g. sector, counterparty and transaction) and process (e.g. credit policies and lending process), which constitute the new framework (see 2.2 ESRS E1 - Climate Change, Section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 29a).

Actions

The Group is attentive towards the responsible management of environmental impacts, not only by developing internal processes and policies outlining its commitment, but also by implementing concrete actions to promote sustainability. The Group adopts an integrated approach that includes, on the one hand, specific measures to reduce the environmental impact of company buildings and, on the other hand, impact management-oriented actions along the entire value chain, including customer financing.

[E1-3 DP 29a]

Financed GHG emissions

With regard to financed GHG emissions, the Group recognises the key role of the financial system in the sustainable transition and therefore encourages the development of products and services for customers aimed at promoting ethical lifestyles, sustainable business development and projects with high environmental value. In particular, the Group is committed to reducing its portfolio-financed greenhouse gas emissions also by adhering to international initiatives and frameworks and adopting an evidence-based measurement and monitoring approach.

The following initiatives, integrated and better detailed in the Transition Plan (see 2.2 ESRS E1 - Climate Change, section 2.2.1 Transition Plan, DP 16b), implemented by Banca Ifis are reported:

- car leasing: support for sustainable mobility through a portfolio that includes a growing share of hybrid and electric vehicles, awareness-raising campaigns for the renewal of leasing contracts on electric cars, strategic partnerships with manufacturers of full electric vehicles and incentives for the sales network linked to the promotion of products aimed at energy transition and sustainable mobility;
- truck leasing: promotion of environmentally friendly solutions through the leasing of industrial vehicles and semi-trailers, with a focus on the introduction of natural gas engines as an alternative to diesel engines;
- automotive sector: integration of ESG criteria into the credit assessment process through an enhanced framework, which assesses the environmental and sustainability risk of counterparties to ensure responsible management of financed issues.

Other initiatives to support decarbonisation include:

- power generation: support for SMEs with incentives such as the Nuova Sabatini Green, for investments in photovoltaic systems and energy efficiency solutions, promoting the adoption of low environmental impact technologies;
- sustainable mobility: introduction of products such as 'e-bike rental' for active tourism, leasing of electric quadricycles and development of rental solutions for refurbished IT assets, promoting sustainable mobility and the circular economy;
- support for SMEs: collaborations with financial institutions to offer financing on favourable terms, favouring projects focused on environmental issues and innovative energy transition and the Industry 4.0 Plan.
- financial products focused on environmental issues: offer of MCC mortgages and leasing with Sabatini Green facilities and SACE Green mortgages to support the purchase of sustainable capital goods and the realisation of projects compliant with the European Taxonomy.

[E1-3 DP 28 MDR-A]

[E1-3 DP 29a]

Own GHG emissions

With particular reference to energy and change mitigation and adaptation issues, the Group fosters the adoption of measures intended to promote research and implementation of solutions to improve the energy efficiency of its sites and to reduce the environmental impact of its business activities. Specifically, the Group has decided to use electricity supplies exclusively from renewable sources, design solutions to self-produce energy from renewable sources and, where possible, implement enhancement and renovation of its real estate assets following the highest standards of environmental compatibility. Furthermore, the Bank promotes sustainable mobility solutions aimed at the gradual replacement of the corporate car fleet with hybrid or electric vehicles supported by an adequate corporate network of dedicated electric charging points. Where relevant, it undertakes to offset its residual greenhouse gas emissions through specific offsetting projects.

As part of its own GHG emissions, the Group implements a number of projects to help reduce these impacts.

On the subject of sustainable mobility, the actions initiated and/or continued in 2024 are reported:

- Renewal of company fleets: As part of the Ifis Leasing Green initiative, in 2022, the Group signed an agreement with Stellantis to renew corporate fleets, aiming to make more than 50% of vehicles hybrid or electric by 2025;
- Car electric charging devices: the project continued to install additional electric car charging devices, in addition to those already present, at the Group's main sites. More specifically, by 2025, it is planned to increase the number of electric car charging points at the Group's locations, which, at the reference date of this document, amount to 57.

Use of renewable energy and energy efficiency

Since 2021, the Group has been using exclusively green energy from 100% renewable sources (e.g. wind, photovoltaic, geothermal, hydroelectric, biogas, biomass) for the supply of all offices and branches in Italy. During 2024, ordinary and extraordinary renovation and redevelopment of premises continued, according to the highest standards of eco-compatibility, focusing on plant design according to the best available energy-efficient technologies and the supply of 100% renewable energy from the grid or self-produced.

In addition, solutions have been developed to self-produce energy from renewable sources: in November 2024, a new photovoltaic system was activated, with a capacity of approximately 180 kWp, on the roof of the Mondovì office building with the aim of reducing the direct impact of the building itself by around one third of consumption.

Also thanks to the initiatives undertaken, Banca Ifis's electricity consumption decreased by 7% from 2,9 million kWh to 2,7 from 2023 to 2024.

[E1-3 DP 29ci, cii]

For some of the above-mentioned actions, the significant monetary amounts in terms of Capex (capital expenditure) and Opex (operating expenditure), related to the implementation of the measures undertaken, are reported[32], reflecting the economic impact of the actions implemented.

In addition, a detailed breakdown of the reconciliation of these expenses to the budget is provided, showing the correspondence with the relevant accounting categories. This approach ensures transparency and traceability of the investments made, facilitating the analysis of the financial and operational effects of the initiatives taken.

32 It should be noted that, for this reporting exercise, Banca Ifis has not identified any future financial resources allocated to the action plan.

Photovoltaic project	UoM	2024	Item
Capex	€	40.894	Balance Sheet: tangible assets
Opex	€	2.149	Income statement: other administrative expenses

It should be noted that for the same asset, 176.608 Euro was capitalised in 2023 and reported under tangible assets in the balance sheet.

Site renovations and upgrades (including charging columns)	UoM	2024	Item
Capex	€	861.226	Balance Sheet: tangible assets
Opex	€	15.320	Income statement: other administrative expenses

[E1-3 DP 29b]

GHG emission reductions	UoM	Target
Expected	tCO_2e	1.776 (2030)
Achieved	tCO_2e	0 (2024) (1)

(1)The achieved GHG emission reduction is 0 as the target was set in 2024.

The credit framework strengthened from an ESG perspective

[E1-3 DP 28 MDR-A]

[E1-3 DP 29a]

In 2024, the Bank's credit framework was integrated with an ESG perspective, establishing a process dedicated to assessing the sustainability profile of counterparties that meet pre-established ESG criteria. To this end, the Bank has defined the key boundary (e.g. segment, counterparty and transaction) and process (e.g. credit policies, lending process) elements that will define the new framework.

At the segment level, the segments most exposed to ESG risks were identified by means of a specific materiality assessment carried out by Risk Management, in line also with the evidence from the C&E risk assessment process already mentioned.

At the counterparty level, the Bank has identified a data provider to acquire a synthetic score to represent the individual counterparty's level of compliance with environmental, social and governance issues.

Having defined the above scope of application, the enhanced credit framework was launched in the first half of 2024 through:

- a definition of the role of the credit policies in steering and monitoring of ESG risks during the underwriting phase;
- the identification of the scopes and thresholds for the activation of the reinforced credit underwriting process (e.g. turnover and type of product, ESG risk at segment level and counterparty level).

The application of the enhanced credit framework provides for:

- the deliberative escalation of the decision-making body;
- the drafting of a supplementary appraisal for ESG-steered and appraised counterparties that will enter the enhanced credit framework.

The disclosure supplement contains a qualitative analysis of the counterparty's sustainability profile and level of adequacy in the environmental, social and governance areas (e.g. climate change and biodiversity management approach, emissions reductions, human and labour rights practices, and anti-corruption and anti-money laundering controls in place).

The analysis of the counterparty's ESG profile integrates the evidence provided by the data provider with information obtained by consulting publicly available sources and is aimed at identifying the potential impacts of ESG on both credit risk and reputational risk.

The document is made available to the credit decision maker to highlight the main ESG characteristics of the counterparty and integrate the related considerations into the credit decision, assessing the possibility of introducing mitigation measures on the basis of the reference ESG risk and in light of the type of product requested (short or medium/long-term).

The Bank plans to gradually extend the scope of applicability of the enhanced framework, in order to broaden the base of counterparties on which the ESG analysis described is performed, consistent with the availability of useful information to outline their sustainability profile.

2.2.3 Targets

[E1-4 DP 32 MDR-T]

[E1-4 DP 33]

As previously highlighted, the Banca Ifis Group identifies itself as a digital, open, efficient and sustainable bank, as also defined in the 2022-2024 Banca Ifis D.O.E.S. (Digital, Open, Efficient, Sustainable) Business Plan. In this context and in line with the objectives of the Strategic Plan, the Bank has committed to bring its loans and investment portfolios into line with the achievement of the zero net emissions goal by 2050, in accordance with the targets established by the Paris Climate Agreement. Therefore, setting decarbonisation targets emphasises the Group's determination towards a sustainable transition and low levels of greenhouse gas emissions.

Financed GHG emissions

Below are the emission reduction targets financed on the sectors deemed relevant for the Group: Auto Leasing, Truck Leasing and Automotive Manufacturers and Distributors and which the Group aims to achieve by 2030:

[E1-4 DP 34a,b]

Scope 3 GHG emission reduction targets by category (1)	UoM	Type	Baseline (2) (year)	2030 Target
Auto Leasing	gCO_2e/km	Reduction target	130 (2019)	85
Truck Leasing	gCO_2e/tkm	Reduction target	52 (3) (2020)	37
Automotive Manufacturers and Distributors	gCO_2e/km	Reduction target	153 (2019)	85

(1) Sectors outlined by the Net-Zero Banking Alliance with IEA Net-Zero 2050 reference scenario.
(2) Portfolio composition as at 31 March 2022, latest available emission data.
(3) Emission data to 2020 for the application of EU Regulation 2019/1242 on emission targets for heavy duty vehicles.

This scenario is consistent with the forecasts of electrification of the Italian market by 2030 and with a cost level in line with the other scenarios considered, and is based on scientifically validated decarbonisation scenarios that comply with NZBA standards.

In addition, the analysis considered potential operational and financial risks, in particular those related to the range provided by electric vehicles (EVs) and the evolution of related leasing costs, evaluating solutions that balance environmental sustainability and economic efficiency. In this context, the scenario defined envisages greater electrification of the corporate fleet, while maintaining a clear predominance of hybrid vehicles to meet the specific needs of the bank's operating model and its commercial network.

The objective described above is in line with the Group's strategic commitments, thereby consolidating the company's role as a responsible player in the transition to a low-carbon future.

[E1-4 DP 29,33]

Own GHG emissions

With reference to its own GHG emissions, the Banca Ifis Group has set specific targets[33] to reduce GHG emissions from its corporate fleet by 2030 in order to make a concrete and significant contribution to the fight against climate change. The company's strategy is based on a measurable commitment: to accelerate the transition to a more sustainable mix of electric vehicles, with the aim of increasing their current share[34].

Indeed, the Banca Ifis Group's business model is based on an extensive commercial network, which covers the territory extensively, while the physical branch network is geographically less widespread. In the past years, the sales network has grown extensively, in line with the strategic pillars of the 2022-2024 Strategic Plan, and will continue to expand in order to ensure the achievement of the ambitious business goals.

The Banca Ifis Group is positioned as a low-emission institution in terms of its own GHG, thanks to the sustainability initiatives already undertaken in the past few years, which have enabled, as mentioned above, the maximum energy optimisation of the offices and the procurement of only renewable electricity, making the company car fleet the main source of emissions with a significant reduction margin.

In 2022, a partnership was signed with Stellantis, with the aim of supporting the ecological transition through the adoption of vehicles with a lower environmental impact. This commitment led to the definition of the 2024 emission baseline, which reflects the progress of a journey that began three years ago and marked an important step towards sustainable corporate mobility management.

Bearing in mind that the Group's growth will entail a necessary growth of the commercial network and, therefore, of the corporate fleet, Banca Ifis will in any case commit to further reducing Scope 1 emissions by 10% by 2030, through the progressive adoption of full electric or high-efficiency hybrid vehicles, to the detriment of thermal engine cars.

To ensure that the target is met, changes in the share of the car fleet for each type of low-emission vehicle (i.e. high-efficiency hybrid, FEV) will be monitored over time. In this sense, the Banca Ifis Group's approach makes it possible to track improvements, assess the effectiveness of implemented actions and ensure that the transition takes place gradually.

These objectives were predefined internally by the Human Resources Department with the support of the competent General Services function and subsequently approved by the Sustainability Committee, in order to ensure the inclusion of the main stakeholders concerned.

---

[33] *It should be noted that these targets were set consistent with limiting global warming to 1,5 °C.*

[34] *Banca Ifis adopts the car fleet as its main decarbonisation lever, implementing targeted strategies to reduce emissions, e.g. through a gradual transition to low-emission vehicles.*

[E1-4 DP 34a,b]

Sub-topic	Action	Type	Baseline Scope 1	Target
Climate change mitigation	Reduction of the CO_2 emissions of the car fleet	Reduction target	1.974 tCO_2e (2024)	1.776 tCO_2e (2030) -10%

In setting emission reduction targets for the corporate fleet, Banca Ifis conducted an in-depth analysis of operational, market and financial variables to ensure ambitious but realistic targets.

The considerations were based on a scenario that allows for an average performance in line with the market in terms of emissions per employee, estimated at between 1 and 1,5 tonnes of CO_2.

[E1-4 DP 34e]

Details follow of the methodological choices made by the Bank to define the decarbonisation targets:

With regard to the target setting exercise for financed issues, exposures considered material include the following types of performing lending to non-financial corporations, both Large and SMEs (excluding Private Entities and Public Administration):

- used for cash;
- bonds with a Held to Collect (HTC) business model - only in sectors defined as priorities by the Net Zero Banking Alliance;
- leasing - Transportation;
- factoring (both with and without recourse).

[E1-4 DP 34b AR 24]

The definition of emission reduction targets and objectives was formulated taking into account sector specificities and following benchmark analyses that highlighted best market practices, ensuring alignment with the main competitors.

With regard to the target for Scope 1,the CO_2 emission baseline for the reduction lever through electrification of the car fleet was calculated on the basis of the current year's emissions (GHG emissions) and the vehicle mix adopted in 2024.

Specifically, 2024 emissions were determined using consumption recorded in the same year and applying conversion factors in tCO_2e, in accordance with the UK Government GHG Conversion Factors for Company Reporting - DEFRA 2024 database guidelines.

With regard to the target for Scope 1,the CO_2 emission baseline for the reduction lever through electrification of the car fleet was calculated on the basis of the current year's emissions (GHG emissions) and the vehicle mix adopted in 2024.

Specifically, 2024 emissions were determined using consumption recorded in the same year and applying conversion factors in tCO_2e, in accordance with the UK Government GHG Conversion Factors for Company Reporting - DEFRA 2024 database guidelines.

The scope of emissions varies from sector to sector in order to maximise coverage: for car manufacturers and distributors, Scope 3 was considered, which includes emissions along the value chain, while for car leasing, Scope 1 and 2 were included, representing emissions generated from the use of vehicles by consumers, equivalent to Scope 3 for manufacturers.

The coverage of the value chain was delineated by considering only selected segments of each sector, in accordance with the main portfolio alignment methodologies. For car manufacturers and distributors, the analysis focused on car manufacturers, excluding manufacturers of components such as tyres and brakes, while for leasing of light vehicles and trucks the focus was on vehicles purchased by customers.

Finally, the portfolio coverage was defined according to best practice, with a coverage of over 99% for car leasing (excluding decommissioned vehicles, obsolete brands and light commercial vehicles without declared emissions) and over 95% for car manufacturers and distributors.

[E1-4 DP 34f AR 30c]

As indicated in the previous section, Banca Ifis has identified its own decarbonisation levers based on the targets set (see 2.2 ESRS E1 - Climate Change, Transition Plan section, DP 16b), promoting sustainable mobility, the adoption of hybrid and electric solutions in car and truck leasing, the integration of ESG criteria in credit processes, support to SMEs for low environmental impact investments, the development of sustainable financial products and the renewal of the corporate fleet with low environmental impact vehicles.

The targets were defined taking into account available climate scenarios and in particular taking as a reference the scenario published by the International Energy Agency (IEA) 'Net Zero Emissions by 2050', compatible with limiting global warming to 1,5°C.

[E1-4 DP 34e]

Banca Ifis has defined its emission reduction targets based on reliable and recognised data sources, mainly drawn from public databases, such as the International Council on Clean Transportation (ICCT) and Transition Pathway Initiative (TPI) reports, and from official counterpart reports.

This approach ensures transparency and reliability in the measurement of emissions and the definition of strategies. TPI, in particular, considers Scope 3, category 11 emissions, which represent the emissions generated by the use of the product sold and correspond to the entire life cycle of the cars sold.

Emission intensity in the automotive sector is calculated on the basis of average Tank-to-Wheel CO_2 emissions per kilometre, using standardised methodologies such as the WLTP cycle. For the calculation of the issuance curves of the overall portfolio, a weighting approach in line with best market practice was adopted, taking into account the availability of data for each sector.

Furthermore, the Net-Zero alignment targets were defined following the IEA NZE scenario, which is based on scientific evidence and compatible with limiting global warming to 1,5 degrees Celsius, thus consolidating the Bank's commitment to support a sustainable transition in line with global climate goals.

Risk Management monitors the financed issues and inertial values to 2030, based on portfolio composition, on a half-yearly basis on the three target sectors. In particular, prospective analyses are carried out for car leasing, on the potential evolution of the portfolio and the roll-over of manufacturers relevant to the Group (both in terms of volumes and particularly virtuous declared targets), in order to verify alignment with decarbonisation targets even in the event of a potential portfolio recomposition and regulatory changes or adjustments to the vehicle manufacturers' targets. Should significant deviations occur, an internal procedure is in place to share them with the Sustainability Committee and the Bank Departments involved in the lending process, strategic planning and business.

2.2.4 Metrics

In the metrics reporting process, Banca Ifis actively involved the relevant corporate functions, ensuring a qualified contribution in their respective fields. The methodologies and significant assumptions adopted are fully aligned with the European Sustainability Reporting Standards (ESRS) and current regulatory requirements, thus ensuring compliance with transparency requirements, consistency with European sustainability standards and accurate and reliable reporting.

In particular, the calculation of Scope 1, 2 and 3 emissions, expressed in tCO_2e, was carried out following industry guidelines, such as the ABI Lab Guidelines on the application of the European Sustainability Reporting Standards

(ESRS) on the environment 2024 in banks, as well as the GHG Protocol. It should be noted that the quantification of these emissions has not been validated by an external body outside the assurance provider.

Energy consumption and mix

[E1-5 DP 37,a,b,c,ci,cii,ciii]

Total energy consumption related to own operations by source	UoM	2024
Fossil sources (1)	MWh	7.766
Nuclear sources	MWh	0
Renewable sources (2)	MWh	3.270
Fuel consumption for renewables sources	MWh	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	3.148
Consumption of self-generated non-fuel renewable energy	MWh	122
Total (3)	MWh	11.036

(1) For the consumption of fossil fuels, data on the car fleet, natural gas and purchased electricity not covered by Guarantees of Origin are used.
(2) The Group is committed to using 100% green energy from renewable sources (e.g. wind, photovoltaic, geothermal, hydroelectric, biogas, biomass) for the supply of all its owned sites and branches in Italy.
(3) The organisation constantly monitors its energy consumption and energy mix, ensuring that they are in line with its targets.

The methodologies adopted for the calculation of metrics related to energy consumption and energy mix are based on the application of the ABI LAB guidelines and the GHG Protocol.

As far as metrics are concerned, it should be noted that no estimates and/or assumptions were made for the consumption of Banca Ifis-owned offices and branches. On the other hand, as far as rented properties are concerned, given the impossibility of retrieving primary input data, estimates of energy consumption were made: in particular, for all properties for which the Energy Performance Certificate (APE) is available, the value was calculated as the product between the respective surface areas (m^2) and the relevant energy performance indices; for the other properties, an estimate was made on the basis of consumption indices derived from public databases.[35]

Energy carriers are reported in the following units:

- Natural gas: Standard cubic metres;
- Electricity: Kilowatt-hour;
- Petrol and Diesel: Tonnes.

This input data was then converted into the unit of measurement required by the regulations

Gross Scope 1 and 2 GHG emissions

35 The databases used are detailed below: SIAPE for estimating gas consumption and EIA for estimating electricity consumption.

[E1-6 DP 48a, 49a,b,50,a,b,52a,b]

Gross GHG emissions	Level	UoM	2024
Scope 1 (1)	Consolidated accounting group	tCO_2e	1.974
	Investees with operational control	tCO_2e	0
Scope 2 (location-based) (2)	Consolidated accounting group	tCO_2e	1.049
	Investees with operational control	tCO_2e	0
Scope 2 (market-based) (3)	Consolidated accounting group	tCO_2e	114(4)
	Investees with operational control	tCO_2e	0

(1) The following factors were used for the calculation of Scope 1 emissions: ABI Lab Guidelines on the Bank's Application of the European Sustainability Reporting Standards (ESRS) in Environmental Matters 2024; UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024). The quantities of energy vectors used by the Group, such as natural gas (punctual input data for owned properties and estimated data for leased properties) and fuels for the company car fleet, expressed in the relevant units and multiplied by the respective emission factors as per the Banking Industry Guidelines, were taken into account. It should also be noted that no assumptions were made for the quantification of GHG emissions and the methodology adopted was selected in accordance with the Banking Industry Guidelines.
(2) For the calculation of the Scope 2 emissions according to the "location-based" method, the emission factors given in the AIB 2024 "Supplier mix" were used, considering the entire volume of electricity purchased by the Group (point input data for owned properties and estimated data for leased properties), subsequently multiplied by the relevant specific emission factors. Emissions of CH4 and N2O were also included in the calculation, where available emission factors allowed. No tools were used to calculate them, nor were any assumptions made to quantify the emissions.
(3) For the calculation of Scope 2 emissions according to the "market-based" method, the share of electricity purchased by the Group (point input data for owned properties and estimated data for leased properties) without Guarantees of Origin (GO), multiplied by the specific emission factors of the "Residual mix" stated in the AIB 2024, was considered. No assumptions were made or specific tools used to calculate emissions, and GHG emissions other than CO_2, such as CH4 and N2O, were not considered as they were not available in the emission factors used.
(4) Included in the calculation are emissions from car consumption at public petrol stations and the estimated energy consumption for rented properties, whose energy source is not certified within the Guarantee of Origin certificates. For buildings owned in Italy, the use of energy from 100% renewable sources is confirmed, in line with previous years.

As described above, renewable energy certified through Guarantees of Origin (GO) is used for buildings owned by Country Italy, without using contractual instruments for the purchase or sale of energy with attributes associated with energy generation (bundled energy) in relation to Scope 2 GHG emissions. The organisation focuses on the purchase of certified renewable energy, avoiding buying and selling energy.

Gross Scope 3 GHG emissions

[E1-6 AR 46i]

As part of the reporting of other indirect emissions (Scope 3), it should be noted that during 2024, the relevant categories for the Group under the GHG Protocol were identified, supplementing the information already provided in previous years. In particular, the following categories were quantified by the organisation, also in line with industry best practice:

- Category 1 - Purchased Goods and Services;
- Category 6 - Business Travel;

- Category 15 - Investments.

With regard to the other Scope 3 indirect emission categories under the GHG Protocol, it should be noted that the Bank conducted internal assessments to verify their applicability and relevance to its business model. As a result of these analyses, these categories were excluded from the Sustainability Statement because they were deemed not applicable, irrelevant or difficult to quantify due to the complexity of finding input data. With a view to continuous improvement, reporting will be refined annually, incorporating, where possible, any emission sources excluded for the reasons described above.

[E1-6 AR 39b]

Below are the methodologies adopted by Banca Ifis for the above categories:

- Category 1 'Purchased Goods and Services': For the quantification of emissions, the Spend-Based Method was used, in line with the GHG Protocol, using as input the costs in euro of goods and services purchased by the Bank deducted from the Balance Sheet and relating to the year 2024.
  Some expenditure items were excluded because they could represent double counting with issues already reported in Scope 1, 2 and 3 (e.g: "Business travel" or "Expenses related to real estate") or because they were deemed to be items that could not be classified as purchases of goods and services (e.g. "Charges" or "Fees").
  The emission factors, expressed in tCO_2e/monetary unit, were associated with the various expenditure categories in a timely manner. It should be noted that the emission factors adopted include all climate-altering gases and come from a public database, with average values representative of the entire EU geography, including the 27 Member States (Source: Eurostat, Environmental Extended Input Output - EEIO database). This database was considered representative and in line with what is suggested by the GHG Protocol and ABI Lab guidelines, as well as industry best practices.
- Category 6 'Business Travel': for the quantification of emissions, the 'Distance-Based Method' was used, in line with the GHG Protocol, using the kilometres travelled and the type of vehicle used in 2024 as input data for the Italian locations. Emission factors, expressed in $kgCO_2e$/km travelled and converted to tCO_2e/km travelled, come from the UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024) database. For the foreign locations, the Spend-Based Method was applied using the euro expenditure on travel as input. As in Category 1, emission factors provided by Eurostat based on the specific economic activity in the Environmental-extended input-output database were used.
- Category 15 'Investments': for the quantification of the issues financed on the portfolio, the Risk Management function adopted a methodology structured in five main steps. The methodology aims to attribute a value of emission intensity at the macro-sector level by relating the amount of tCO_2 of GHG emissions to the volume of business generated by that same sector, also considering the "leverage" component. First of all, in order to calculate emission factors, the data collection activity was carried out, which was necessary to ensure a solid and accurate analysis: the sectoral approach allowed the use of official and certified data sources, such as the retrieval of sectoral business volumes directly from the Bank of Italy website, the value of sectoral GHG emissions from the European Environment Agency website and some sectoral financial information, 'Debt to Asset ratio', directly from Bloomberg. Subsequently, the calculation of Sectoral Emission Intensity was implemented, which is fundamental for estimating the environmental impact of the different identified investment macro-sectors (Industry, Construction, Energy, Agriculture, Waste, Automotive, Transportation, Oil&Gas). Once the calculation boundary had been defined, the Emission Intensity value was assigned to the counterparties in the portfolio, based on their economic activity and the sector to which they belonged (mapping by ATECO code). Finally, based on these elements, the function made an estimate of the Financed Emissions, thus obtaining an overall picture of the carbon footprint associated with the investments.

[E1-6 AR 46g,h]

The reporting boundary for Scope 3 includes Categories 1 and 6, which cover the entire perimeter of the Bank. Category 6, 'Business Travel', was analysed without using estimates to calculate emissions, for the Italian locations, based exclusively on primary data obtained 100% from partners along the value chain; for the foreign locations, the Spend-Based methodology was used in line with the GHG Protocol.

In contrast, Category 1, Purchased Goods and Services, was calculated using the Spend-Based methodology, applied to the product categories of Banca Ifis's other administrative expenses.

Finally, for the calculation of financed issues, the perimeter of reference is defined by mapping the exposures at counterparty level in the portfolio as at 31 December 2024, including Leasing Transportation, Factoring, Corporate Banking, Structured Finance, other forms of Lending (including foreign subsidiaries) and Corporate Bond with Held to Collect (HTC) business model, and excluding positions relating to Banca Credifarma (due to the absence of real estate APE), Rental, Instrumental Leasing, Cap.Ital.Fin, Sovereign Securities, Governance & Services Sector and Non-Core (due to lack of consolidated calculation methodologies) and Npl Sector. In addition, emissions from the Investment Category were calculated using sectoral proxies of Emission Intensity obtained by multiplying the "Loans", "Emissions" and "Debt to Asset ratio" data for the sectors of interest; therefore, no primary data was used.

[E1-6 DP 51, AR 46g]

Gross Scope 3 GHG emissions by category (1)	UoM	2024
Purchased goods and services (2)	tCO_2e	32.862
	% of scope 3 GHG calculated using primary data	0
Business travel (3)	tCO_2e	446
	% of scope 3 GHG calculated using primary data	98
Investments (4)	tCO_2e	3.227.564
	% of scope 3 GHG calculated using primary data	0

(1) The reporting boundary for Scope 3, in Categories 1 and 6, includes the entire Group. For Category 15, on the other hand, the analysis concerns the Group, net of the exclusions reported in connection with AR 46g,h.
(2) For the calculation of Category 1 - Purchased Goods and Services, the emission factors provided by Eurostat based on the NACE economic activities contained in the Environmental-extended input-output (EEIO) database were used
(3) For the calculation of Category 6 - Corporate Travel, the emission factors from the UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024) and the emission factors provided by Eurostat based on the NACE economic activities contained in the Environmental-extended input-output (EEIO) database were used
(4) For the calculation of Category 15 - Investments, the emission factors derived from Banca Ifis's proprietary methodology described in connection with AR 39b were used. The data shown is reported at 31 December 2024.

[E1-6 AR 46i]

With regard to the other Scope 3 indirect emission categories under the GHG Protocol, other than Category 1, 6 and 15, it should be noted that the Bank conducted internal assessments to verify their applicability and relevance to its business model. As a result of these analyses, these categories were excluded from the report because they were deemed not applicable, irrelevant or difficult to quantify due to the complexity of finding input data. With a view to continuous improvement, reporting will be refined annually, incorporating, where possible, any category emission sources excluded for the reasons described above[36].

Gross scope 1, 2, 3 and Total GHG emissions

[E1-6 DP 44,52a,b]

Total GHG emissions	UoM	2024
Total GHG emissions location-based	tCO_2e	3.263.895
Total GHG emissions market-based	tCO_2e	3.262.960

[E1-6 DP 55]

For the purpose of calculating DP 53, 'net revenues' are reported in accordance with Article 43, paragraph 2, letter c) of Council Directive 86/635/EEC by including the following consolidated items as at 31 December 2024 (in thousands of euros): interest and similar income, securities income, commission income, net components from financial transactions, and other operating income.

[E1-6 DP 53, AR 54, AR 55]

GHG emissions intensity	UoM	2024
Net revenues	€/000	1.061.292
GHG emissions intensity, location-based (total GHG emissions per net revenue)	tCO_2e/€	3,1
GHG emissions intensity, market-based (total GHG emissions per net revenue)	tCO_2e/€	3,1

36 Excluded categories include: capital goods (Category 2), energy and fuel related activities not included in Scope 1 or Scope 2 (Category 3), upstream transportation and distribution (Category 4), waste generated in the course of operations (Category 5), employee commuting (Category 7) upstream leasing activities (Category 8), downstream transportation and distribution (Category 9), processing of products sold (Category 10), use of products sold (Category 11), end-of-life treatment of products sold (Category 12), downstream leasing activities (Category 13) and franchising activities (Category 14).

[E1-6 AR 48]

	Retrospective		Target	
	Base year	N	2030	Annual target % / Base year (1)
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO_2e)	1.974	1.974	1.776	
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)				
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO_2e)		1.049		
Gross market-based Scope 2 GHG emissions (tCO_2e)		114		
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)		3.260.872		
1. Purchased goods and services		32.862		
6. Business travel		446		
15. Investments		3.227.564		
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2e)		3.263.895		
Total GHG emissions (market-based) (tCO_2e)		3.262.960		

(1) The target was set every five years, so it is not possible to report the annual variation.

With reference to the emission targets on the most relevant sectors in terms of materiality (with particular reference to the automotive world, i.e. Auto Leasing, Truck Leasing, Automotive Manufacturers and Distributors, representing more than 80% of the financed exposures and emissions considered by the NZBA), reference can be made to the table on ESRS_E1_4 DP 34 a, b in which the 2030 targets, expressed in gCO_2e/km, are shown.

Biogenic CO_2 emissions for Scope 1 and 2 are not applicable as Banca Ifis does not use biomass, biofuels, biogas or other bioenergy sources; similarly, for indirect Scope 3 emissions, the reported categories do not include emission sources related to the biodegradation of biomass or the use of biogenic fuels.

2.3 E4 - Biodiversity and ecosystems

Approach and reference policies

Banca Ifis considers it essential to integrate environmental, climate change and biodiversity issues within its risk assessment processes and banking decisions, adopting a responsible and sustainable approach. This vision is concretely reflected in the Group's commitment to specific projects, which aim to reduce environmental impact, preserve biodiversity and promote the transition to a low-carbon economy.

For the current reporting year, the Group did not identify measurable metrics and targets in the area of biodiversity, as these sustainability issues were mainly related to the value chain; however, the Group has regulated these aspects in specific Policies with a view to continuous commitment.

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Biodiversity and ecosystems				
Participation in the protection of natural capital and biodiversity and land use through the funding of sectors and activities that promote ecologically sustainable practices	Potential positive impact	Value chain	Medium-term	• ESG Policy • Credit Policy
Reputational risks through exposures to counterparties are linked to the loss of biodiversity	Risk	Value chain	Medium-/long-term	
Credit risk related to the deterioration of the creditworthiness of counterparties with commercial activities that may have a strong impact on biodiversity due to higher costs/lower income	Risk	Value chain	Medium-term	
Economic savings through the implementation and financing of activities unrelated to the organisation's core business, aimed instead at protecting biodiversity and ecosystems	Opportunity	Value chain	Medium-term	
Creation and promotion of innovative financial products/services focused on sustainable investments to contribute to the protection of ecosystems, biodiversity and land conservation	Opportunity	Value chain	Medium-term	

ESG Policy and Credit Policy

[E4-2 DP 22]

The importance of biodiversity and the protection of ecosystems is also and especially reflected within the Group's credit processes. The Group defines principles and guidelines for environmental protection decisions, including biodiversity through its ESG Policy (see 2.2 ESRS E1 - Climate Change, Section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 25). In particular, biodiversity is recognised by the Bank not only as an environmental value, but also as a strategic element for its lending policies, finding expression in its Credit Policy (see 2.2 ESRS E1 - Climate Change, Section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 25). The latter integrates the biodiversity dimension into the risk assessment and management of credit exposures, considering the environmental impacts generated by counterparties' activities and their attention to the protection of natural ecosystems.

As described above, the Credit Support, ESG & Monitoring business unit integrates environmental and climate considerations into the analysis of the counterparty's ESG risk profile, in the related appraisal supplement and through dedicated ESG questionnaires. Within this scope, information on the biodiversity of counterparties is collected, where this information is publicly available and concrete, as defined in the Credit Policy.

In addition to this, the Group also analyses within the Materiality Assessment process the issue of biodiversity, which is included among the criteria for assessing the relevance of the climate (both physical and transitional) and environmental (e.g. biodiversity-related) risks to which the Banca Ifis Group is exposed, with the ultimate aim of mapping and identifying traditional risks that could be affected by such events.

The Bank's commitment to contribute directly to the preservation of biodiversity and the protection of ecosystems is realised, with reference to its own operations, mainly within the International Sculpture Park, the exhibition space housed within the more than 22 hectares of gardens surrounding the 16th-century Villa Fürstenberg, the Group's historic headquarters. In this space, the often-monumental works of great Italian and international masters of contemporary sculpture merge with their surroundings, creating a place where nature and sculpture dialogue in a timeless embrace. Within the park, lawns are mowed regularly, hedges are pruned and kept tidy, and the clearing of pathways of weeds is kept under constant control, in order to enhance the environment and the works included. The constant attention and care of the flora in the park is a fundamental element in the protection of the ecosystems: for example, thousands of bulbs including narcissus, hyacinths, snowdrops, fritillaria, semi-annual plants and ornamental perennials have been planted, as well as new trees to compensate for the maintenance work. The visual experience has recently been enhanced by a privet maze that fits harmoniously into the artistic context of the park. Checks are carried out on the degree of stability of the area's remarkable botanical heritage, monitoring the species present, first of all with the identification and cataloguing of each plant individual starting with the trees. Careful visual observation plays a very important role in the approach, which is then supplemented according to the protocol of the Italian Arboricultural Society. To date, 3.400 trees have been counted, in addition to the more recently planted ones, in the total area comprising the fifteen hectares under protection. It is a huge job that involves a forestry technician and gardeners who routinely take care of the park. These preventive investigations are of fundamental importance, not only to be able to remedy critical situations and secure the area, but also and above all in view of the increasingly frequent effects of climate change.

3. Social

3.1 S1 - Own workforce

Material impacts, risks and opportunities

[S1.SBM-3 DP 13a]

Demonstrating the centrality of people in Banca Ifis's strategy, there is the close connection between the impacts on the bank's own workforce and its Business Plan. In particular, within the 2022-2024 D.O.E.S. Business Plan and specifically within the 'S' pillar of Sustainable, there is a space dedicated to the achievement of employee-related objectives ('Ifis People'). The strategic priorities include the importance of investing in the growth and development of the workforce through the provision of training programmes. The focus on training is reflected in the Bank's material impacts, including employee satisfaction, fostered by the implementation of well-structured training programmes and performance appraisal systems. In addition, the Group aims to improve the well-being of its people through smart working and flexitime programmes, highlighting the synergy of the impacts considered with the D.O.E.S Business Plan and the Bank's strategy. This synergy is also reinforced by the material impacts in the area of equal treatment and opportunities that are linked to the Bank's strategic commitment to create a young, dynamic and gender-balanced workforce.

[S1.SBM-3 DP 14,a]

The positive and negative material impacts within the workforce identified through the double materiality assessment, with particular reference to the areas of health and safety and equal treatment and opportunities for all, concern the entire Group corporate population, without distinction. For the remaining identified impacts, the focus was specifically on Banca Ifis employees.

[S1.SBM-3 DP 14b]

Material negative impacts were identified as potential and related to individual incidents. These relate to the following topics: (i) health and safety, with particular reference to potential harm to workers arising from occupational injuries and illnesses; (ii) unequal treatment arising from incidents of harassment and/or discrimination due to non-inclusive practices in the workplace and the gender pay gap for equal employment and skills (iii) working conditions related to employment instability, resulting from the high use of fixed-term and/or temporary contracts; and (iv) right to privacy, especially with regard to potential violations arising from inadequate management systems or ineffective application of procedures and preventive actions. These impacts are adequately prevented and controlled, as better described in the following paragraphs, and can affect all types of workers in their own workforce.

[S1.SBM-3 DP 14e]

The transition plan defined to reduce negative impacts on the environment, does not produce material impacts on Banca Ifis's workforce, as it focuses on strategies to target the defined objectives on the most relevant sectors of the Group's portfolio counterparties, linking initiatives to specific business opportunities and metrics.

[S1.SBM-3 DP 14c]

The main activities implemented by the Bank in order to produce positive impacts are described and detailed in paragraphs Equal Treatment and Opportunity for All (see 3.1 ESRS S1 - Own Workforce, Section 3.1.4 Equal Treatment and Opportunity for All, DP 37) and Working Conditions (see 3.1 ESRS S1 - Own Workforce, Section 3.1.5 Working Conditions, DP 37). In particular, the double materiality assessment revealed impacts that affected all employees of the Banca Ifis Group[37].

37 Refer to the description of the types of employees in the metrics section.

[S1.SBM-3 DP 15]

The Group recognises that employees are an essential resource, not only for their contribution to economic results, but also for the crucial role they play in consolidating the corporate culture and promoting the values of social and ethical responsibility.

Accordingly, Banca Ifis invests in the professional growth, well-being and safety of its employees, supporting equal opportunities, inclusiveness and respect for human rights. Investing in human capital is a key element of the Group's sustainability strategy, which aims to generate long-term value not only through financial performance, but also by encouraging the active involvement of employees and their development of skills in view of future challenges. The Ifis People are strategic players for the success of the Group, paying close attention to continuous training and recognition of their contribution in the realisation of the corporate mission.

[S1.SBM-3 DP 13b]

Aware that its strategy and business model are significantly dependent on its workforce, Banca Ifis recognises that there could be risks associated with this dependence, such as difficulties in attracting and retaining qualified talent, misalignment between internal skills and future strategic needs, as well as the possible impact on productivity and business climate resulting from employee dissatisfaction or ineffective human resources management.

At the same time, opportunities closely linked to Banca Ifis's strategy were identified. These include the development of new tools dedicated to improving the work-life balance and increasing employee satisfaction, the promotion of further initiatives aimed at the growth and development of the workforce, supported by a system of continuous training and the promotion of new initiatives that foster inclusion and value diversity. These actions, in addition to enhancing organisational well-being, contribute to making the Bank more resilient and competitive in the long term, improving the ability to attract and retain talent and ensuring a constant alignment between internal competencies and the institution's strategic needs.

[S1.SBM-3 DP 14d,15]

The Banca Ifis Group has identified numerous opportunities arising from the impacts identified in the dual significance analysis process and related to its workforce. These include improving the working environment with a view to greater flexibility and sustainability, implementing initiatives dedicated to the health and safety of employees and their families, and introducing systems to ensure a better work-life balance.

On the other hand, Banca Ifis has identified some operational risks related to workforce management[38] and, in particular, the possible negative impact noted in the double materiality assessment. These include the risk of operational losses due to unauthorised access to employee data (data breach) by internal staff for personal gain, as well as the risk of breaches of confidentiality, system and data integrity failures and unavailability of IT infrastructures, including as a result of cyber-attacks or inadequate internal processes.

To mitigate these risks, the Group has launched initiatives aimed at protecting confidentiality and data security, including training activities for cybersecurity certifications and awareness programmes on the correct behaviour to prevent cyber attacks. It also promotes policies of inclusion and valuing diversity through projects such as Kaleidos, helping to strengthen a fair and sustainable corporate culture. These actions are aimed at ensuring a safe, inclusive and growth-oriented working environment, contributing to the reduction of operational risks and strengthening the company's ability to attract, develop and retain talent in the long term.

38 It should be noted that the identified risks related to employees refer to the entire workforce without distinguishing categories of workers who are more exposed to risk with particular characteristics, who work in particular contexts or who perform certain activities.

[S1.SBM-3 DP 16]

The material opportunities and risks that emerged from the double materiality assessment, together with the positive and negative impacts identified, cut across all Ifis People.

3.1.1 Health and safety

Group approach and policies

Banca Ifis Group considers occupational safety and health protection of its employees as priority and non-negotiable objectives. Every activity and phase of the company's life must comply with adequate safety standards, since compliance with these requirements is the minimum condition for guaranteeing the legitimacy of business processes and fostering organisational efficiency. Taking into account the various existing and emerging risks, Banca Ifis is committed to continuously improving its performance in the area of safety and health protection for all.

[S1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Health and safety				
Damage to workers resulting from occupational accidents and diseases	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Company Health and Safety Policy • Integrated Safety and Environment Manual • Training on health and safety practices and procedures • Risk assessment document (DVR) • Consolidated Document for the Assessment of Risks of Interference (DUVRI) • Interventions to improve corporate environments • Initiatives to improve the well-being of employees and their families
Improvement of the corporate environment, taking into account the new dynamics related to different ways of working and employee safety	Opportunity	Own operations	Medium-term	
Promotion of initiatives aimed at the health and safety of Group employees and their families	Opportunity	Own operations	Medium-term	

Company Health and Safety Policy

[S1-1 DP 19 MDR-P]

The Banca Ifis Group defines the principles and guidelines for decisions on occupational health and safety through its Company Health and Safety Policy. In this context, the Integrated Safety and Environment Manual was developed, designed to adhere to the principles of the Policy and drafted in compliance with current regulations, including Legislative Decree 81/08 (Safety Consolidation Act) and Legislative Decree 231/2001 (Administrative Liability of Entities) on occupational health and safety.

The company's Health and Safety Policy, approved by the Board of Directors, establishes that responsibility for managing health and safety issues is entrusted to the Prevention and Protection Service Manager (RSPP), the

Prevention and Protection Service Manager (ASPP) and the Human Resources and General Services departments, each for the areas of their competence, under the delegation of the Employer.

The Group is committed to allocating human, instrumental and economic resources to achieve the goals of improving the safety and health of workers, considering them an integral part of its business and a fundamental strategic objective. It also ensures the appropriate use of technology, pursuing, where possible, its continuous improvement or the introduction of more advanced solutions. The Group identifies the dangers associated with the various activities, assesses the risks and implements prevention and protection measures. The adoption and application of the procedures set out in the Integrated Safety and Environment Manual aim to ensure compliance with legal regulations and good practices, protecting the health and safety of workers, company assets and workplaces. In addition to this, the Bank periodically reviews the Policy to verify its correctness and effectiveness, with a view to the continuous improvement of health and safety performance. More specifically, the Group:

- maintains up-to-date management and surveillance procedures to monitor the health and safety of personnel, detect non-compliance situations and manage emergencies;
- analyses business processes, products and activities through audits and evaluation of context data to ensure effective control;
- defines objectives for improvement in health, safety and welfare with a view to prevention;
- preventively assesses risks to personnel in relation to existing and new activities, adopting preventive measures to avoid occupational accidents and illnesses, and implements actions aimed at improving working conditions, integrating technical, production, environmental and organisational aspects;
- pursues the respect of ergonomic principles to create functional and comfortable working environments and the adoption of advanced technologies to eliminate or minimise risks at source;
- promotes training activities to make workers aware of their responsibilities and the importance of their actions to achieve the company's objectives.

The entire company structure participates, according to its attributions and competences, in the achievement of the company's health and safety objectives, developing a culture of prevention and a safe working environment. To this end, the Policy is made known and disseminated to all employees, and made accessible to all interested parties by publishing it on its website.

[S1-1 DP 23]

The Group dedicates a specific procedure of the Integrated Safety and Environment Manual to the management of accidents and injuries in the workplace, defining responsibilities, operating procedures to be adopted in the event of an accident, incident, dangerous behaviour or sickness, and the analysis of events for accident management, providing for the implementation of any improvement actions, as well as establishing within its organisational structure appropriate operating procedures, sensitive processes, and human and economic resources necessary to pursue high standards of health and safety in the workplace.

Actions

[S1-4 DP 40b]

The Banca Ifis Group is actively committed to guaranteeing the health and safety of its employees, recognising in the constant improvement of the corporate environment and in the promotion of initiatives aimed at well-being strategic opportunities to grow as a company that cares about people. On the one hand, it works to optimise company space, with a focus on new dynamics related to different working methods and safety protection; on the other hand, it promotes initiatives aimed at improving the well-being and protecting the health of employees and their families.

[S1-4 DP 37 MDR-A]

With these aims, in 2024, environmental monitoring and surveys were carried out to assess the internal well-being of property work environments, performing air quality analyses at the Group's main locations and monitoring noise levels and microclimate, which have resulted in the adoption of improvements.

In addition, the Group launched a restructuring process of its offices with a view to improving flexibility and sustainability and supply functional, comfortable environments, with a particular focus on design: offices, meeting rooms and common areas feature furnishings and new technologies that promote the exchange and sharing of information. For example, the building restructuring of the offices sees particularly close attention being paid to new dynamics linked to co-working procedures, flexibility of space and remote working.

With reference to the promotion of initiatives for the well-being of employees and their families, a partnership with a third party was activated in 2024, which will continue throughout 2025, through which employees can benefit from unlimited access at a discounted price to sports centres and gyms throughout the country, as well as free on-line digital training, live streaming and on-demand, and other services such as nutritional counselling at a discounted rate. In addition, a partnership with the leading on-line psychology service in Italy was activated as of July 2024, replacing the similar service previously offered by another partner. The activation of the partnership aims to promote the psychological well-being of the Bank's people and will continue to be active in 2025 through the offer of five free sessions with professionals from the on-line network and reduced rates for any follow-up meetings, to support both work and personal issues.

At the same time, the Group continued to pursue a series of initiatives to promote the health and safety of its employees and their family members.

Within the framework of the Kaleidos Health Cloud, forty people from the Bank, who volunteered in 2024, were involved in the 'Let's Think First' research project, led by Professor Fausto Rigo under the supervision of Ircss San Camillo and aimed at the Prevention of Acute Myocardial Infarction. The instrumental examinations involve the use of a special machine, an ultrasound machine for analysing the tissue of the heart muscle as well as the carotid arteries. If any finding warrant further investigation, partecipants will be referred to the cardiology centre of the Villa Salus hospital in Mestre for a diagnostic and therapeutic course. Additionally, as part of the Health Cloud, the Group continues its partnership with WelfareCare, an initiative to promote a culture of prevention among the corporate population. In 2024, after the more than 900 mammograms and breast scans offered to female employees and their families between 2022 and 2023, the WelfareCare mobile clinic was taken to the Bank's six main locations to offer mole mapping to some nine hundred people in the Group.

At the same time, in the area of issues related to psychological-physical well-being, with a focus on the relational and emotional areas of people's lives, Banca Ifis continued its collaboration with Welfood. Between 2023 and 2024, the Ifis Parenthood on-line meetings took place: six meetings with Welfood specialists on the topic of parenting, live streamed on the company's dedicated platform, mainly focused on raising children. On 25 November 2024, on the occasion of the International Day for the Elimination of Violence against Women, Ifis Feelings was inaugurated, a column dedicated to affection in which, during six live streaming webinars, various areas of couple relationships are explored. Live broadcasts with Welfood professionals will continue in 2025 and recordings of all events are also available on demand on the company intranet.

[S1-4 DP 38a]

The Banca Ifis Group is actively committed to preventing the possible negative impact of occupational accidents and illnesses, implementing targeted measures to protect the health and safety of its employees with the aim of protecting their well-being and ensuring business continuity in a safe environment.

[S1-4 DP 37 MDR-A]

More specifically, the Group's staff are called to comply with health and safety provisions as well as attend mandatory training programmes. This is partly outsourced and mainly supplied by the Prevention and Protection Service, suitably trained to this end, and is delivered exclusively during working hours, free of charge and with a final test. In 2024, the Group provided around 2.800 hours of mandatory training on health and safety practices and procedures. Under no circumstances does the internal organisation become aware of the medical data of its employees.

Group employees, in addition to undergoing regular statutory health checks, have comprehensive health cover for illness, accident, permanent disability and life in the event of death.

Finally, occupational medicine and health surveillance are outsourced to a national network of appointed physicians, coordinated by a coordinating doctor.

[S1-4 DP 38d]

In order to ensure the effectiveness of its internal controls, the Banca Ifis Group has structured an internal monitoring system to ensure compliance with the principles described in the Group Policy and the proper implementation of the actions taken. In this context, the Prevention and Protection Service conducts safety audits on a regular basis, paying particularly close attention to newly opened locations or offices, and where significant changes are made to the layout of work environments. In addition, it provides regular information flows to the Supervisory Body, reporting on health and safety activities. These flows include an annual reporting of the controls carried out, which allows us to verify the correct application of the mitigation procedures laid down in the Integrated Safety and Environment Manual. The assessment and updating of risks, collected in the site-specific Risk Assessment Document (DVR), are continuously monitored, with particular attention to building safety, emergency preparedness, management of contracted activities and interference risks. Any non-conformities are handled through in-depth analysis and the adoption of corrective measures by implementing all necessary actions in advance and with priority. In the event of an accident in the workplace, the Integrated Safety and Environment Manual provides a procedure for analysing and managing accidents, with the introduction of improvement actions to prevent the occurrence or repetition of such events.

[S1-4 DP 39]

As part of the Integrated Health and Safety Management System, the Group also has processes in place to identify preventive mitigation measures and establish priorities for action.

In particular, the occupational health service works with the Employer and the Prevention and Protection Service to identify and assess all risks. In addition, it carries out annual inspections of work sites to verify compliance with health and safety measures. The appointed physician plans and carries out health surveillance, preparing, updating and keeping custody of, at his own responsibility, the medical records and risk factors of each and every worker.

To this end, a three-level control hierarchy is adopted, entrusted to trained and competent figures. The first level is represented by the supervisors, who operate through a new portal dedicated to the sharing and management of operational controls; the second level involves the Prevention and Protection Service; the third level involves a third-party audit. Completing this system, the Internal Audit function carries out spot checks to verify compliance with the procedures envisaged by the Integrated Manual.

The Integrated Safety and Environment Manual also contains, in its procedures, all formal instruments necessary for any workers to make reports to the Prevention and Protection Service of any potentially damaging situations or dangerous behaviour, in order to collect useful information with which to identify future action to be taken.

[S1-4 DP 41]

Lastly, Banca Ifis ensures that its business practices cannot in any way compromise the health and safety of its workforce, thanks to health surveillance contracts that actively guard against such effects, in accordance with the regulatory provisions in force from time to time.

[S1-4 DP 43]

In the field of health and safety, the Employer, assisted by the Prevention and Protection Service and the competent doctor, has the task of identifying risks and managing the relevant preventive measures, in order to ensure a safe and secure workplace for employees. The Employer, or relevant delegates through their respective HR Business Partner and Safety, Environment & Real Estate Projects functions, shall ensure (pursuant to Legislative Decree No. 81/08) that each worker receives adequate information and training on safety, with particular regard to occupational health and safety risks related to the company's activities in general or to the protection and prevention measures and activities adopted.

For the above-mentioned purposes, HR Business Partner requires the new employee to see further documents such as, for example, the file for the information and training of workers on residual risks and the protective measures applied.

3.1.2 Work-life balance

Group approach and policies

The Group optimises the balance between professional and private life by guaranteeing equal treatment to all employees and collaborators, right from the selection phase, without any distinction or preference based on personal, social or membership characteristics. In particular, work-life balance is a key issue that contributes positively to employee well-being and improves organisational efficiency, for example, in terms of reduced turnover and increased productivity.

[S1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Work-life balance				
Protection of work-life balance through the use of part-time contracts, remote work and flexitime, parental/family leave, time bank/extra leave	Actual positive impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Group employee management policy • Trade union agreements on 'smart working', 'hourly flexibility', 'welfare' and 'canteen ticket' • Experimentation of 'HUB work’
Creation of systems/tools to ensure a better work-life balance	Opportunity	Own operations	Medium-term	

Group Employee Management Policy

[S1-1 DP 19 MDR-P]

The Group adopts the Group Policy for Employee Personnel Management, aiming to:

- formalise the process for managing employees and collaborators (including administrative management) with particular reference to the recruitment, evaluation and training activities necessary to ensure that staff are provided with the skills and professionalism needed to perform the responsibilities assigned to them;
- guarantee implementation of the Policy to promote diversity and inclusiveness.

In this regard, it should be noted that the Group Employee Management Policy is part of the regulatory framework on diversity and inclusion, also complementing the Group Policy for the Promotion of Diversity and Inclusiveness, the Gender Equality Management System and the Strategic Plan, and is closely coordinated with the other policies and codes that have an impact on personnel management, among which the following are of particular note the Report on Remuneration Policy and Compensation Paid, the Code of Ethics, the Disciplinary Code, the Policy for the Promotion of Diversity and Inclusiveness, general and organisational regulations.

The Policy is monitored periodically, several times during the year, at discussion and evaluation meetings within the Human Resources Department.

In addition, with specific reference to gender equality aspects, the Policy is also monitored through specific audits, as required by current legislation.

The Policy, applicable and disseminated to all Group companies with registered offices in Italy and, where compatible with local legislation and internal regulations, also to subsidiaries with registered offices abroad, is inspired by the principles enshrined in the Supervisory Provisions for Banks - Bank of Italy Circular No. 285/2013 and subsequent updates, in particular Part I, Title IV, Chapter 3, Section I, Paragraph 6. From a subjective point of view, the document is addressed to all employees and, as far as gender equality is concerned, also to all Group employees.

This Policy, approved by the Board of Directors on the proposal of the Human Resources Department, is made available and accessible via the company intranet.

Actions

[S1-4 DP 40b]

In pursuit of the opportunity to ensure a work-life balance, the Group has planned to introduce innovative systems and tools that support the reconciliation of these two spheres, encouraging greater flexibility in working arrangements and improving the conditions for access to family benefits. These initiatives, in line with the principles of inclusiveness and sustainability, aim to ensure a working environment that meets individual needs, contributing to the overall well-being of all employees and strengthening the corporate culture.

[S1-4 DP 37 MDR-A]

In particular, the two trade union agreements also applied in 2024:

- on 'smart working', 'welfare' and 'canteen ticket', aimed at supporting the management of the different stages of parenthood and promoting work-life balance. These agreements include specific onboarding programmes for mothers and fathers returning from maternity or paternity leave, a smart working plan that also allows them to work continuously from the fifth month of pregnancy until the sixth month of the child's life (without prejudice to the compulsory maternity period) and offers two days of smart working to parents with children up to the age of fourteen. They also provide for the possibility of concluding part-time contracts and, for particularly serious situations, the activation of teleworking through individual agreements;
- on flexibility which, while respecting the thirty-seven-hour working week, allows entry from 8.00 until 10.30, so that entry and exit times can be brought forward or delayed compared to the standard time (9.00 - 17.30). It is also possible to take a half-day leave by compensating the hours not worked on that day with an increase in working hours spread over the other days of the week.

[S1-4 DP 38c]

The implementation of a system of welfare policies and actions aimed at promoting a better work-life balance for all employees, such as work-life balance initiatives and programmes to support family needs, contributes to creating a positive impact on Ifis People's quality of life.

[S1-4 DP 37 MDR-A]

Numerous initiatives have been renewed for 2024 as well, testifying to the Bank's commitment to the well-being of all its employees. These include the benefits package, which in turn comprises subsidised mortgages, health and pension insurance, a supplementary pension fund and canteen tickets, confirming the focus on an increasingly effective balance between private and professional spheres. The agreement on meal vouchers was also renewed and extended to all employees, including those working in smart working or part-time mode. In 2024, the 'HUB work' trial aims to reduce home-to-work travel time while improving flexibility and well-being. Finally, the Bank continues to offer the possibility of joining complementary pension funds with double contributions, borne by both the company and the employee.

The expected result of adopting the above initiatives is to improve people's work life balance and well-being. To this end, surveys are planned for 2025 that also include monitoring of the corporate climate and employees' perceptions on the subject.

[S1-4 DP 38d]

The Human Resources Department collects and analyses data on the implementation of the above-mentioned initiatives, monitoring the effectiveness of the actions undertaken through detailed analyses.

[S1-4 DP 43]

The Group's Human Resources are directly involved in the management of material work-life balance impacts. In particular, activities are divided between the Labour Law Relations function, responsible for the adoption of internal HR policies, HR Business Partner, in charge of managing and monitoring impacts, and HR Admin & Payroll, in charge of the quantitative reporting of the results obtained through the actions undertaken.

3.1.3 Training and skills development

Group approach and policies

The Banca Ifis Group attaches a central role to training and skills development as strategic levers for the personal and professional growth of its employees and associates. To this end, the Group promotes training plans structured on a continuous learning model and dynamic skills management, with the aim of accompanying each employee on a personalised professional growth path. Attention to the transparency of evaluation systems and development opportunities is crucial to ensure that each employee can fulfil his or her potential to the fullest. Through these initiatives, Banca Ifis supports not only the improvement of individual performance, but also the development of an excellence-oriented working environment.

[S1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Training and skills development				
Employee satisfaction through training programmes	Actual positive impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Group employee management policy • Ifis Academy • Performance appraisal system
Enhancement of individual performance through appropriate performance appraisal systems and professional development plans	Actual positive impact	Own operations	Medium-term	
Promotion of initiatives related to workforce growth and development through an effective training system	Opportunity	Own operations	Medium-term	

Group Employee Management Policy

[S1-1 DP 19]

Employee training is managed in accordance with the Group Policy for Employee Personnel Management described above (see 3.1 ESRS S1 - Own Workforce, section 3.1.2, Work-Life Balance, DP 19) which, in addition to defining the guidelines for work-life balance, commits the Bank to enhancing human capital by promoting the continuous training and professional development of employees, in order to ensure that staff are equipped with the skills and professionalism needed to perform the responsibilities assigned to them.

Actions

[S1-4 DP 40b]

Banca Ifis Group promotes the growth and development of its workforce through a structured and effective training system, centred on Ifis Academy, considering it an important opportunity for internal skills strengthening and innovation. This is accompanied by constant monitoring of the level of satisfaction and effectiveness of the training activities, conducted at the end of each initiative, to ensure alignment with the set training objectives and the achievement of quality standards.

[S1-4 DP 37 MDR-A]

The Ifis Academy, an in-house training school inspired by the Group's leadership model, integrates technical and behavioural skills and is at the heart of the Group's talent enhancement and development system. In 2024, the attention paid to training its employees resulted in 49.613 hours provided to the corporate population, distributed among executives (1.276 hours), middle managers (17.510 hours) and clerical staff (30.827 hours), demonstrating the importance attached to continuous growth and professional excellence at every level of the organisation. Of these, 23.857 hours were dedicated to female workers and 25.756 hours to male workers, showing a balanced focus on training all employees, regardless of gender.

It should also be noted that a total of 49.613 hours of training were provided, distributed among the following areas: health and safety (2.746), anti-corruption (2.570), anti-money laundering (4.627) and 'other[39]'.

In order to identify the managerial potential of Ifis People and take care of their growth in a proactive and constant manner, in 2024 the Group started a project dedicated to the mapping and periodic monitoring of talents, through a competence tracking system. Once fully in place, this process will enable the implementation of a formal talent development strategy, which complements the targeted and individualised training and development programmes described below.

Depending on the subject area and the desired level of knowledge, the Human Resources Learning and Development Department promotes training programmes dedicated to the development of all the Group's talents, selecting the most suitable teaching methods for each employee. Options vary between behavioural and management training workshops and laboratories, on-line courses, targeted technical training, seminars, on-the-job training, coaching and one-to-one interviews. The Ifis Academy provides the following training programmes and areas:

- Talent Accelerator, a macro-area which includes the Ready to Race project and the Start to Grow project, aimed at identifying and developing potential in the organisation. Ready to Race is a three-year course for 50 employees who have been selected following an initial assessment phase. The course, run in cooperation with the professional group and independent institute The European House - Ambrosetti, sees a succession of training sessions, meetings with recognised speakers, company visits and trips abroad. For those who do not have an adequate level of English, dedicated language training has also been set up. As part of the various activities, participants are asked to work on topics central to Banca Ifis such as sustainability, innovation, business and digitalisation. In 2024, the participants, divided into working groups, were involved in the development of a number of business cases related to the Bank's strategic projects. The course made possible a significant increase in participant satisfaction, promoting greater engagement with the organisation and obtaining greater loyalty among participating employees, which stands at 98%. Start to Grow completes the training offer of the Academy cluster dedicated to the Talent

39 'Other' includes training hours provided in the ESG area.

Accelerator and is designed as a path for a wide range of employees (approximately 130) who have the opportunity to develop their skills through training sessions that explore in detail some of the pillars of the Leadership Model. In 2024, participants took part in dedicated networking and mutual acquaintance activities in a number of important Italian theatres divided into three subgroups, while in 2025 a learning-sharing event is planned in a dynamic and engaging manner. In general, through these initiatives Banca Ifis intends to enhance decision-making and problem solving skills, preparing employees to make strategic decisions and stimulating their ability to think innovatively, as well as to promote cross-functional collaboration and increase their sense of belonging to the organisation;

- Business Accelerator, training courses aimed at specific structures of the Commercial & Corporate Banking and Npl business. In its 'basic' version, the course is intended for newly recruited employees and aims to provide the key elements needed to enable and empower employees in the role. The activity is organised annually, depending on new employees joining the organisation. A new edition of the advanced course is being planned, intended for more senior staff and in which ample space is devoted to deepening technical business knowledge, enhancing the soft skills inherent to the role, market insights and future trends (artificial intelligence, ESG) where more than 50 employees of the Npl and Commercial & Corporate Banking businesses will be involved. Dedicating specific pathways to business structures enhances the specific competencies of these business functions, while promoting cross-functional collaboration and ensuring that each area contributes effectively to the organisation's overall objectives;
- People Accelerator, i.e. a series of initiatives aimed at the development and practical training of soft skills. These include a series of catalogue courses on Leadership Model competencies that employees can request as part of the performance management process and which are then organised annually on the basis of requests received, and the 'People Management Accelerator' course for managers and coordinators. The latest edition of the course, which involves around 40 participants, started in October and will continue throughout 2025 with the aim of providing the necessary tools to better interpret one's role as a manager, promoting greater awareness and acquiring practical skills to adopt the behaviours and attitudes indicated by the Leadership Model;
- Digital library, a collection of digital training content available at all times, relating to current topics connected to behavioural, cultural, regulatory, technical and procedural matters;
- Mandatory training includes all initiatives relative to: administrative liability of entities pursuant to Italian Legislative Decree No. 231/2001, operative requirements linked to the regulations on banking transparency, anti-money laundering, worker health and safety, IT security, regulation on personal data protection and business continuity, IVASS, MiFID 2, etc.;
- Specific initiatives, i.e. transversal training initiatives activated and organised to meet specific organisational needs; among the most significant are the activities organised in relation to cyber security awareness, also in line with Bank of Italy Directive 2013/285, thus increasing the Bank's resilience against possible external cyber attacks. In particular, targeted training was carried out in 2024 for some key figures with the aim of strengthening their skills in the cyber sphere, and a webinar open to the entire corporate population on cybersecurity, organised on the occasion of the European Cyber Security Month promoted by the European Union, focused on good practices and behaviours to be adopted to prevent cyber attacks.

[S1-4 DP 38c]

The Banca Ifis Group recognises in people a fundamental asset for the achievement of its objectives, directing its personnel management towards the enhancement of individual skills, attitudes and abilities, and offering real opportunities for professional growth and realisation. Through a careful periodic evaluation process governed by the Group's Employee Management Policy, the Group recognises the importance of people development, considering investment in human potential an essential element in fostering innovation. In this context, measures were taken to consolidate the positive impacts of employee satisfaction and individual performance enhancement by improving training, development and staff management processes. The introduction of tools inspired by gamification principles has contributed to the enhancement of continuous learning and development, integrating motivational and engagement elements to foster dynamic and participative professional growth.

[S1-4 DP 37 MDR-A]

This is also possible thanks to the support of the Ifis Talent platform, the Banca Ifis Group's Talent Management System[40], which was updated early 2024 with a new easy, intuitive and innovative layout and important new functionalities. Within the platform, most of the activities related to the 'Perform Up' performance management process are digitised, which aims at enhancing individual performance and enables staff appraisal, access to customised training courses and professional development of individual employees. Within the platform, employees find all the tools they need to give continuity to their professional development and, at the same time, it allows managers to view and get to know the 'history' of their employees and to give them constant feedback on goals achieved, skills acquired and areas for improvement. The platform also makes it possible to: exchange feedback between employees from different areas; give feedback to one's boss or request it; and access digital pills with topics modulated according to the needs identified through the feedback gathered, thus supporting not only the personal awareness process, but also the acquisition of new references and behavioural methods. Access is also given to participation certificates, which are awarded at the end of certain relevant training experiences, and to 'badges', which are recognised on the basis of activities on continuous feedback, digital pills taken and digital pills shared with employees.

In addition, the induction process for new employees within the organisation, which aims to welcome and accompany people by facilitating the acquisition of autonomy, fostering inclusion in teams and developing a sense of belonging to the company, has been digitised within the Ifis Talent platform and includes, among other activities, a series of individual and/or group appointments.

The platform is also equipped with an extensive digital library that is constantly being updated, with new titles being introduced to meet the continuing education needs of all employees.

[S1-4 DP 38d]

The Banca Ifis Group monitors and evaluates the effectiveness of the appraisal process through internal analyses conducted by the Human Resources Department, which include the verification of the distribution of expected appraisals and the fulfilment of the contractual obligation to appraise by managers.

In 2024, the performance management process was fundamentally revised in line with the Group's new leadership model, with the aim of better responding to employees' needs, reflecting the principles of the model and enhancing individual contribution. The revision was conducted through a co-design approach that directly involved employees through:

- exploratory survey, with over 760 participants, to gather feedback and analyse expectations;
- qualitative interviews with managers to explore the key factors of a culture of mutual exchange;
- two in-person focus groups with approximately forty volunteer employees to discuss the central aspects of the new process.

Through this revision, it is intended to achieve greater alignment between individual and corporate objectives, improving organisational cohesion, employee motivation and involvement through a more dynamic and efficient working environment.

Concretely, the process involves a goal-setting moment at the beginning of the year when each employee makes his or her own goal proposal that the manager can review and supplement, as well as a mid-year performance review. At the same time, each employee can choose from an extensive catalogue of soft and technical courses those best suited to his or her development needs: the training on offer ranges from Leadership Model skills to banking culture and technical business knowledge.

40 Currently only accessible to employees of Italian Group companies.

A Mid-Year Review is scheduled for continuous feedback to monitor progress against targets, identifying any need for adjustment and providing timely feedback. The final phase is devoted to evaluation, a moment that, in a cyclical and recursive perspective, coincides with the phase of assigning objectives for the new year.

In addition, the digitisation of the performance management process through the Ifis Talent platform allows employees of Italian companies to freely comment on their evaluation. This tool gives the Human Resources Department an opportunity to gather further feedback on the process. For employees of foreign companies, on the other hand, the process is managed in cooperation with the relevant HR Business Partner, who ensures alignment between business needs and human resources management, supporting managers in maximising the potential of employees.

The effectiveness of the initiatives is confirmed by the increasing use of the Ifis Talent platform and the significant increase in the number of feedbacks exchanged between employees. In particular, in May, five employees were rewarded, having obtained the 'Ifis Talent Super Ambassador' badge in 2023, achieving the highest level in the programme's three categories: enjoyment and sharing of digital pills and feedback exchange. The sustainable award ceremony saw the adoption of five beehives (one for each award winner) in collaboration with 3Bee, as well as the handing over of a symbolic physical gift.

The awardees participated in a dedicated training on the topic of feedback, which registered the highest level of satisfaction. The activity aimed to make them Ambassadors of the Ifis Talent platform and to define a shared vademecum to provide effective feedback. These initiatives demonstrate Banca Ifis's commitment to ensuring continuous training and empowering employees as active promoters of good business practices.

The effectiveness of the actions undertaken is further enhanced through external recognition. The HR Innovation Practice Observatory of the School of Management of the Polytechnic University of Milan, in the 'Performance Management' category, awarded the HR Innovation Impact Award 2023 to the Banca Ifis Group. This award is aimed at organisations that, having won the HR Innovation Award in previous years, have evolved their projects over time, generating a significant impact on the entire organisation.

[S1-4 DP 43]

The Human Resources Department plays a central role in managing feedback between the Bank, Group companies and employees. It is responsible for human resources development, workforce planning and HR process management, using structured methodologies and organisation support. It takes care of the definition of resource requirements, ensuring the proper functioning of organisational units, and manages crucial activities such as staff recruitment, selection, induction, development and management. This includes the planning of career paths, training programmes and internal and external mobility, ensuring adequate quality and quantity of resources within the planned budget.

In addition, the Learning & Development Department, on the basis of the results of the annual evaluation and any quality gaps that may have emerged in this context, designs, plans and implements a training programme for employees; it verifies its use and monitors its effectiveness; special attention is paid to monitoring the use of compulsory training.

3.1.4 Equal treatment and opportunities for all

Approach and reference policies

As explained in the Code of Ethics, the behaviour of all Group staff must be utterly correct and fair. The Banca Ifis Group undertakes to ensure that the management and heads of the individual organisational units behave fairly toward their collaborators, guaranteeing professional growth and fostering a working climate inspired by principles of transparency and loyalty.

[S1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Measures against violence and harassment in the workplace				
Employee insecurity due to incidents of harassment and/or the absence of employee protection measures and/or awareness-raising initiatives	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Policy to combat violence and harassment in the workplace • Policy to promote diversity and inclusiveness • Whistleblowing
Creating and promoting projects that uphold values such as gender equality, inclusion and valuing diversity	Opportunity	Own operations	Medium-term	
Diversity				
Discrimination due to non-inclusive practices in the workplace	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Policy to promote diversity and inclusiveness
Creating and promoting projects that uphold values such as gender equality, inclusion and valuing diversity	Opportunity	Own operations	Medium-term	
The employment and inclusion of persons with disabilities				
Integration of workers with disabilities for accessibility and barrier-free accessibility	Actual positive impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Policy to promote diversity and inclusiveness
Creating and promoting projects that uphold values such as gender equality, inclusion and valuing diversity	Opportunity	Own operations	Medium-term	
Gender equality and equal pay for work of equal value				
Gender equality and equal pay for work of equal value	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Remuneration and incentive policies • Policy to promote diversity and inclusiveness • Gender Equality Management Regulatory Manual • Strategic Plan for Gender Equality • Uni PdR certification: 125 2022 "continuously improving"
Creating and promoting projects that uphold values such as gender equality, inclusion and valuing diversity	Opportunity	Own operations	Medium-term	

Group Policy to promote diversity and inclusiveness

[S1-1 DP 19 MDR-P]

With the aim of further consolidating and ensuring respect for diversity, in October 2023 the Banca Ifis Group issued the Group Policy for the Promotion of Diversity and Inclusiveness (D&I), which formalises, in line with the Group's Code of Ethics, the principles on diversity and inclusion adopted in order to promote a culture that allows all its employees and associates to be treated without discrimination. More specifically, the Group:

- is committed to ensuring that all Ifis People can freely express their personality and individuality on a daily basis, recognising and enhancing their potential and value in compliance with the company's rules of conduct;
- promotes inclusive treatment and stimulates the meritocracy of Ifis People;
- does not tolerate direct or indirect discrimination, explicit or otherwise, based on any diversity characterising a person's identity;
- values the mix of different generations and nationalities and gender representativeness and a variety of backgrounds, which are recognised as sources of continuous enrichment, thanks to the diversity of skills, abilities, experiences, perspectives and aspirations brought by each Ifis Person;
- promotes the creation of social value for its own benefit and that of the community in which the Group operates;
- works to ensure that any conduct contrary to D&I policies is identified and denounced;
- supports and promotes partnerships with organisations and bodies active in the D&I arena.

The Banca Ifis Group has developed this policy taking into account the main national and international regulations such as, but not limited to, the Universal Declaration of Human Rights approved by the United Nations General Assembly; the Sustainable Development Goals (SDGs) of the 2030 Agenda adopted by the United Nations; Bank of Italy Circular no. 285 of 17 December 2013, Part One, Title IV, Chapter 1, Section III, under the heading "Duties and Powers of Corporate Bodies"; Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation), Article 147-ter, paragraph 1-ter. Banca Ifis monitors the application of the policy and compliance with the aforementioned provisions through annual audits, aimed at assessing the maintenance of the KPIs envisaged by the Gender Equality Certification and the achievement of the objectives defined in the strategic plan, as well as the verification process envisaged by Bank of Italy Circular No. 285/2013.

The Policy, approved by the Board of Directors on the proposal of the Sustainability Committee and the Remuneration Committee, is made available and accessible via the corporate website and is applicable and disseminated to all organisational units of the Group.

[S1-1 DP 24a]

The Banca Ifis Group has implemented a management system to prevent or mitigate negative impacts on the workforce with regard to inclusivity, resulting from the adoption of the Policy for the Promotion of Diversity and Inclusiveness, guaranteeing fair treatment for all employees and collaborators, without discrimination based on race, colour, gender, sexual identity and orientation, language, religion, political or other beliefs and opinions, national or social origin, birth, wealth, age, as well as on any other condition, element or diversity characterising the person.

[S1-1 DP 24b]

The Group therefore guarantees equal opportunities for all Ifis People, making no distinction on the basis of sexual orientation or gender, age or professional seniority and regardless of their cognitive, sensory and motor abilities, promoting the integration and inclusion of persons with disabilities and fully leveraging their talents and skills. It strives for the promotion and enhancement of interculturalism internally and externally, including in personnel selection, adhering to an open and inclusive social model, and promotes respect for all religions in professing one's faith.

[S1-1 DP 24d]

To this end, the Group strives to ensure that the processes, policies and actions of Ifis People comply with the D&I principles set forth above. Ifis People must all individually and collectively contribute to nurturing and preserving a work environment free from discrimination and prejudice: this is an essential condition for achieving the objectives in respect of diversity and inclusion.

[S1-1 DP 24c]

The Banca Ifis Group has implemented a Gender Equality Management System following the adoption of the Policy for the Promotion of Diversity and Inclusiveness and has therefore taken action to remedy the impacts deemed material through the adoption of a Gender Equality Strategic Plan approved by the Banca Ifis Group Sustainability Committee.

The Policy, applicable and disseminated to the extent of its competence to all the Group's organisational units, is inspired by the principles enshrined in the Universal Declaration of Human Rights approved by the United Nations General Assembly on 10 December 1948 and the corporate values that constitute the Bank's value-based and cultural identity.

Policy to combat violence and harassment in the workplace

[S1-1 DP 19 MDR-P]

[S1-1 DP 24a]

The Policy defines how the Banca Ifis Group:

- promotes the importance of preventing, opposing and combating all forms of discrimination, harassment or violence within the company premises, with the aim of raising awareness on the issue in every person in the Group;
- identifies the most appropriate prevention measures to disseminate and promote, within the company organisation, a culture based on respect for human dignity, diversity and inclusion (e.g. training courses, information sharing, awareness-raising initiatives, etc.);
- promotes language that respects gender diversity.

[S1-1 DP 24c]

On this basis, the Banca Ifis Group:

- promotes the use of language - both verbal and written - that is appropriate, aligned with its values, courteous, inclusive and respectful with regard to gender, vulnerabilities, difficult conditions and diversity in general, combating gender stereotypes, in order to contribute to social change;
- intends to continue its commitment to adopting preventive measures suitable for preventing and combating this kind of behaviour contrary to the values it has always promoted at all levels of the organisation, through information, training and awareness-raising initiatives for all staff;
- creates the conditions for all incidents of violence and/or harassment and/or discrimination to be reported, ensuring an effective process for handling reports that guarantees the highest standards of rigour and protection of the confidentiality of the persons involved;
- is committed to addressing and resolving reports of discrimination or violence or harassment quickly, confidentially and effectively.

The Policy on violence and harassment in the workplace, approved by the Board of Directors on the proposal of the Sustainability Committee and the Remuneration Committee, is made available and accessible via the corporate website.

This is inspired by a broad international and national regulatory framework, aimed at ensuring a safe and respectful working environment for all employees. The Bank follows the guidelines set out in various European and international legislation addressing equal treatment and the prevention of harassment in the workplace, including

ILO Convention No. 190 and the EU Directives on Equal Treatment and Prevention of Harassment in the Workplace, ensuring a safe and respectful environment in line with international and EU regulations.

[S1-1 DP 24b]

Within its policy, it clearly and precisely defines behaviour that is considered unacceptable, providing detailed guidance to prevent and counteract all forms of violence, harassment and discrimination.

In particular, the Group adopts a zero-tolerance policy towards behaviour that may offend people's dignity, with a focus on harassment, gender-based and sexual violence. These attitudes may manifest themselves through words, gestures, digital messages or intimidating attitudes, including threats, insults and innuendo. Sexism, misogyny, misandry and any form of discrimination against LGBTQIA+ persons are also considered unacceptable.

The Group condemns, as already prescribed in the D&I Policy, any form of discrimination based on race, colour, ethnicity, social origin or physical appearance. Any act of prejudice, hatred or violence that excludes or disadvantages a person on such grounds is deemed unacceptable, as it is contrary to the fundamental principles of human rights and the values of inclusion and respect promoted by the Bank.

Likewise, any discrimination against persons with disabilities is prohibited, whether in a direct form, through unfavourable treatment compared to others, or in an indirect form where rules, practices or conduct place a person with a disability at a disadvantage. The Group promotes an inclusive and respectful working environment, in which each person can feel valued and protected, without fear of discrimination or harassment.

In addition, to confirm the Bank's attention to promoting gender equality, UNI PdR 125:2022 certification was obtained in addition to the Winning Women Institute certification obtained in 2022 - the first Bank in Italy to do so. The Bank aims to ensure that all forms of discrimination and harassment are treated seriously, promoting a working environment based on mutual respect and personal dignity.

[S1-1 DP 24d]

The Policy also identifies unacceptable behaviour that may lead to disciplinary sanctions and describes the process for reporting such behaviour, in order to ensure that all forms of discrimination are avoided, mitigated and addressed within the Group.

For the activation of the external reporting channel, and the consequent monitoring of compliance with the Policy, the possibility is envisaged of activating the external channel with a specialised type of service known as a "Trust Advisor" (also CoF), a figure with expertise in issues concerning the different forms of discrimination, violence or harassment in the workplace (including sexual harassment) who has psychological and legal skills and therefore a specific ability to listen to and take charge of the person (see 3.1 ESRS S1 - Own workforce, section 3.1.8, Channels, DP 32). The Trust Advisor helps the person to clarify the specifically reported situation and orients him/her with regard to possible paths that can be activated within the company or externally to deal with what he/she is experiencing. The Trust Advisor can guarantee the anonymity of the parties involved and in any case ensure their confidentiality. Lastly, he formulates opinions and/or recommendations, to support the Human Resources Department or the internal bodies concerned from time to time, at their request, in the assessment of appropriate actions aimed at promoting an organisational climate that ensures equal dignity and respect for people within the Banca Ifis Group.

Banca Ifis is committed to handling all reports promptly and confidentially, ensuring that effective corrective action is taken in line with the principles of dignity and equal opportunities.

The Remuneration and Incentive Policy

[S1-1 DP 19 MDR-P]

The aim of the Remuneration and Incentive Policy, approved by the Board of Directors, is to align the behaviour of management and staff with the interests of all stakeholders, directing their actions towards the achievement of sustainable medium-long term objectives. More specifically, the Policy guarantees that the Bank remains gender-neutral and contributes to the pursuit of complete equality in the economic and regulatory treatment of staff. They promote an equal level of remuneration for staff, including in terms of the conditions for its recognition and payment, for equal work.

The Policy is inspired, in particular, by the principles set out below:

- promote sound, effective risk management, not encouraging risk-taking that exceeds the level of tolerated risk;
- promote the competitiveness and good governance of the Group;
- attract and retain in the company individuals with professionalism and skills suitable for the Group's needs, especially when they play important roles within the company organisation;
- encourage compliance with all legal and regulatory provisions, as well as transparency and correctness in relations with customers, discouraging any violation and/or unfair commercial practice; make corporate objectives consistent with the Group's sustainable growth objectives;
- Search for the best alignment between the interests of different stakeholders;
- focus on risk containment policies;
- avoid altering or undermining the risk alignment effects inherent in remuneration arrangements;
- avoid creating situations of conflict of interest.

Remuneration policies are gender-neutral and contribute to the pursuit of complete equality in the economic and regulatory treatment of staff. They promote an equal level of remuneration for staff, including in terms of the conditions for its recognition and payment, for equal work. As described previously, the Bank has prepared a Policy to promote diversity and inclusiveness that aims to outline the method by which the Group guarantees that all employees (and collaborators) are treated with no direct or indirect distinction or preference, based on age, gender, sexual orientation, marital status, religion, language, ethnic or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity, including through adoption, personal beliefs, political opinions, affiliation or trade union activities.

The Board of Directors has exclusive competence over the remuneration and incentive policies to be submitted to the Shareholders' Meeting. It reviews these policies at least once a year and is responsible for their proper implementation. In addition, the Sustainability Committee as the Steering Committee that assesses the Group's remuneration and incentive policies as set out in the Report on Remuneration Policy and Remuneration Paid, with reference to issues related to ESG objectives.

Remuneration policies are prepared by the Human Resources Department with the support, mainly, of Compliance and Risk Management.

Actions

[S1-4 DP 40b]

In the social context, the Banca Ifis Group considers the creation and promotion of initiatives aimed at upholding fundamental values such as gender equality, inclusion and the enhancement of diversity, an important opportunity to strengthen its commitment, in line with the core principles of the 2022-2024 Business Plan. As evidence of these values, since 2023 the panels "We are Difference" and "We are One" have been displayed in all offices and branches, reaffirming the Bank's attention to valuing diversity, spreading an inclusive culture and respecting different opinions and points of view. The posters also emphasise the importance of combating stereotypes and prejudices, promoting a welcoming and inclusive language.

[S1-4 DP 37 MDR-A]

In 2024, the focus on employees took the form of an editorial plan on the company intranet with articles, webinars and monthly initiatives on diversity and inclusion issues. On the occasion of the International Day for the Elimination of Violence against Women, several activities were carried out, including a special logo visible on various channels, an installation with red lighting in the Milan headquarters, symbolic installations carried out directly by employees in the Group's offices and branches, and a webinar, directly involving employees, conducted in cooperation with Welfood professionals on the signs of gender-based violence.

Similar initiatives were organised on the occasion of the International Day of Kindness, with the aim of promoting a shared culture and inclusive and respectful language in order to prevent conflicts and discourage non-inclusive practices within the workplace. While on the occasion of International Women's Day, bookmarks on the condition of women in the world were distributed to all employees.

The Bank has also launched communication campaigns on topical issues, e-learning courses on Diversity&Inclusion and Unconscious Bias, and launched the quarterly newsletter 'Sustainability News' dedicated to ESG and D&I issues, which reports on the latest news on the Bank's commitment and the path taken to support the sustainable transition of SMEs and increasingly integrate ESG criteria within the business model.

These initiatives were complemented by company projects aimed at actively involving employees, such as:

- participation in the Race for the Cure charity marathon in Bologna, where the amount of each entry was donated to support the fight against breast cancer;
- the first corporate volunteering week in cooperation with Banco Alimentare, which saw employees active in nine Italian regions and also participating in the National Food Collection Day as volunteers;
- the collection of school supplies, in collaboration with the Dragonfly Association, which resulted in the donation of two hundred and fifty kilograms of stationery to combat school poverty;
- participation, as a platinum partner, in the solidarity padel tournament promoted by the CAF (Centro Aiuto Minori e Famiglia) Association;
- blood donation day, in collaboration with AVIS in the Rome office, raising awareness among employees about the importance of contributing to the national health system.

The communication actions described are continuously monitored to assess their dissemination within the corporate population. This is done by measuring quantitative KPIs, which analyse the views of news published on the intranet, and qualitative KPIs, which measure the level of direct employee involvement in initiatives. Employees also have the opportunity to leave comments on the news, thus providing feedback to evaluate the effectiveness of the communication actions taken.

From these actions, we expect employees to identify with a shared culture that reflects the Bank's values. In pursuit of this aim, constant information, training and awareness-raising initiatives are undertaken among the entire corporate population, spreading the culture of equality and non-discrimination. A targeted survey on D&I issues is also planned for 2025.

[S1-4 DP 38a]

Although the Banca Ifis Group is actively committed to upholding fundamental values such as gender equality, inclusion and valuing diversity, it recognises the need to address and mitigate the possible negative impacts of insecure employee situations. These may manifest themselves in incidents of harassment, the lack of adequate worker protection measures or awareness-raising initiatives, discrimination resulting from non-inclusive practices in the workplace, and the gender pay gap despite equal employment and skills. The Group therefore aims to reduce these potential negative impacts by promoting a safe, respectful and inclusive working environment.

[S1-4 DP 37 MDR-A]

In 2024, a new strategic objective was introduced within the performance management system for employees of Italian companies, aimed at fostering an increasing commitment to sustainability. The objective includes the completion of an e-learning training path available in Ifis Talent called 'ESG Path - Overview companies and the 2030 Agenda', which provides an overview of the ESG world and the 2030 Agenda, with a focus on gender equality (Goal 5) and reducing inequality (Goal 10). Specific targets have been set for some structures of the Npl business. The training course is included among the compulsory activities for all Group personnel, together with an e-learning course dedicated to Unconscious Biases, unconscious prejudices that hinder individual freedoms and the protection of diversity in organisations, carried out in cooperation with Valore D. The course raises awareness on issues such as gender harassment and sexual harassment, and explores behaviours to be adopted in the event of such episodes.

Also as part of the compulsory training, an e-learning course was made available in Ifis Talent on the Code of Ethics adopted by the Group, which defines principles, values, rights, duties and responsibilities towards all stakeholders. The course, which includes a section on ESG and the principles of diversity and inclusion, is designed to be usable by all employees and also made available in ISL (Italian Sign Language) and English, ensuring maximum accessibility.

A new edition of the 'People Management Accelerator' training course has been promoted, in which, among other activities, a session dedicated to diversity and inclusion issues is planned. Participants are guided to grasp the value of differences as a generative element of innovation, promoting an inclusive culture within their own structures. Moreover, adherence to these competencies is subject to annual self-assessment and evaluation in the performance management process.

The payment of a variable performance bonus linked to gender issues and the principles of inclusiveness was confirmed, as previously described in the chapter on general information (see 1.1 ESRS 2 - General Information, section 1.1.3 Governance, DP 29c). To address possible pay inequalities, the job evaluation system was updated to identify homogeneous roles and monitor pay gaps, gearing the pay review processes towards continuous improvement.

In addition, the Bank continues to offer a psychological support service through external partners and, through the implementation of the 'Policy for Combating Violence and Harassment in the Workplace', allows employees to report inappropriate behaviour also through the external channel of the 'Trust Advisor'.

[S1-4 DP 38c]

The Banca Ifis Group recognises equal opportunities for all Ifis People, regardless of their cognitive, sensory and motor abilities, promoting the integration and inclusion of disabled people and fully leveraging their talents and skills. To this end, the Group endeavours to break down all barriers by working to offer solutions that are tailored to specific needs and alternative ways of working (e.g. smart working, flexibility, teleworking, part-time work, etc.).

[S1-4 DP 37 MDR-A]

In this context, the Group has established greater protections and facilities for disabled people to enable them to better balance the more complex demands of life with work. These include, for example, the preferential choice of days on which to work in smart working mode and the possibility of teleworking. In addition, in accordance with provisions in force, the Group promotes the adoption of all measures necessary to overcome physical obstacles, to allow equal access to the offices by all Ifis People, removing all architectural barriers by means of ad hoc equipment, aids and tools, such as lifts, stairlifts and so on.

In a parallel fashion, the company website and intranet were integrated with innovative tools to improve the browsing experience and accessibility for people with physical and cognitive disabilities. These visually unobtrusive but very powerful tools allow the page view to be modified according to accessibility needs (over 50 customisable options) to guarantee a better browsing experience even for those with visual, motor or cognitive difficulties. In addition, options include specific profiles for epilepsy, low vision, ADHD, cognitive disabilities, blind (with audio players), and other features such as readable fonts, optimised contrast, voice commands, magnifying glass and virtual keyboard.

To ensure inclusiveness during company events, the Code of Ethics has been made available in Italian Sign Language (ISL), and simultaneous translation in ISL is offered to employees with hearing disabilities, thus promoting active, barrier-free participation.

[S1-4 DP 38d]

As evidence of the proper implementation of the initiatives and the benefits derived from them, in 2023 all Banca Ifis Group companies (based in Italy) achieved gender equality certification UNI/PdR 125: 2022, thus recognising the concrete commitment to promoting equality and inclusive policies within the organisation. Obtaining UNI/PdR

125:2022 certification requires the adoption of specific indicators, Key Performance Indicators (KPIs), in relation to six assessment areas (culture and strategy; governance; Human Resources processes; opportunities for growth and inclusion of women in the company; gender pay equity; parental protection and work-life balance). Each company within the certification scope achieved the minimum overall score of 60%, which determined the organisation's access to certification. This certification was also confirmed in 2024 during the audit carried out by the relevant body.

The UNI/PdR 125:2022, which provides for a management system for gender equality, is the main way in which the organisation monitors and evaluates the effectiveness of gender equality actions. Specifically, certification is for three years, with two annual audits to monitor the management system and any improvements.

In addition, in 2024, Banca Ifis received the 'Welcome Working for Refugee Integration' award from the UNHCR for the second year in a row, an acknowledgement of the companies' commitment to promoting a more inclusive society for those forced to flee war and persecution. The Bank was rewarded for its concrete commitment to the employment of refugees, helping to enhance their skills and talents in the professional context.

As part of the Policy on Combating Violence and Harassment in the Workplace, monitoring through dedicated reporting is planned from FY 2025 onwards, which will enable the monitoring of reported cases with a significant impact and will allow targeted actions and initiatives to be implemented from 2026 onwards.

[S1-4 DP 39]

This constant monitoring is also intended to identify necessary and appropriate actions in response to impacts on employees and the subsequent detection of any anomalies. This is overseen by the HR Business Partner function and through the detection and reporting processes defined by the Whistleblowing Policy and the Policy for Combating Violence and Harassment in the Workplace.

[S1-4 DP 41]

The Banca Ifis Group, in full compliance with current labour legislation, ensures that any decisions to terminate business relationships cannot in any way affect its workforce in terms of diversity and inclusion. In particular, through the application of the National Collective Bargaining Agreement for Credit, signed by the trade association Associazione Bancaria Italiana (ABI), Banca Ifis is subject to the numerous procedures for discussions with trade unions provided for in the contractual provisions, in the event of company reorganisations, acquisitions, mergers or business transfers.

[S1-4 DP 43]

In order to implement the Group Policy for the Promotion of Diversity and Inclusiveness, specific responsibilities have been defined for both corporate bodies and the corporate organisation. The Sustainability Committee, with the support of the Human Resources Department, is in charge of monitoring compliance with D&I principles, integrating them into Group policies and processes, implementing the strategic plan to reduce the pay gap and gender differences, and coordinating initiatives to promote an inclusive culture, both internally and externally to the Group, in cooperation with the Communications, Marketing, Public Affairs and Sustainability Department. The latter, in turn, fosters the dissemination of a diversity- and inclusion-oriented culture through awareness-raising campaigns and supports the communication of the company's strategic plan. In the continuous monitoring process, implemented by the relevant functions, it will also be possible, starting 2026, to assess the effectiveness of the actions and initiatives put in place as a remedy to the actual impacts.

3.1.5 Working conditions

Approach and reference policies

Human rights and respect for working conditions are a central issue for the Banca Ifis Group, which is constantly committed to integrating them into its activities and relationships. This commitment finds expression in the Group's Code of Ethics, which defines the principles, values, rights, duties and responsibilities adopted towards all stakeholders. This document guides Group companies in their interactions, ensuring respect for human rights and the responsible pursuit of their corporate objectives.

[S1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Secure employment				
Employment instability (e.g. of young employees) due to the extensive use of fixed-term and/or temporary contracts	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Provision in the national collective bargaining agreement determining the limits of employment with fixed-term contracts/administration and significant conversion of fixed-term contracts into open-ended contracts
Social dialogue/Freedom of association, the existence of works councils and the information, consultation and participation rights of workers/Collective bargaining				
Employee satisfaction through compliance with union agreements and/or freedom of association of employees	Actual positive impact	Own operations	Medium-term	• ESG Policy • Trade union meetings • Group Code of Ethics
Working time				
Increased psychological-physical well-being of workers through the use of flexitime and/or remote working arrangements	Actual positive impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Trade union agreements on 'smart working' and 'flexibility of working hours'

ESG Policy

[S1-1 DP 19]

The Group's ESG Policy (see 2.2 ESRS E1 - Climate Change, Section 2.2.2 Energy, Adaptation and Mitigation of Climate Change, DP 25) emphasises the attention paid to the respect of universally recognised human rights, considered an essential pillar of the sustainability strategy. With this in mind, the Group aims to protect and promote these rights, incorporating them in the management of its activities and in its relations with employees and stakeholders, thus consolidating an ethical and responsible approach in every sphere of operations.

Overall, the Policy aims to foster a culture of sustainability by encouraging responsible behaviour among Group employees and the integration of environmental, social and governance considerations into its operations. Through this integration, the Group aims to achieve a positive impact in creating value for all stakeholders, with a view to promoting sustainable success.

With reference to the social dimension, this instrument aims to generate positive impacts on people and communities through projects of inclusiveness, culture and well-being, supporting contemporary art and social inclusion. In particular, it aims to promote a safe, healthy and discrimination-free working environment for all Group employees, ensuring equal opportunities and combating forced labour. It also protects human rights in all its activities, contributing to a fairer and more equitable working and social environment.

Code of Ethics

[S1-1 DP 19]

The Code of Ethics (see 4.1 ESRS G1 - Business Conduct, section 4.1.1 Corporate culture and protection of whistleblowers, DP 7 MDR-P) adopted by the Banca Ifis Group enhances working conditions, promoting an environment based on fairness, respect and valuing people. The Group's commitment is to ensure that the management and heads of organisational units behave with fairness and loyalty, creating a positive and inclusive working climate.

[S1-1 DP 20]

The Group is formally committed to promoting and respecting universally recognised human rights, in accordance with the principles enshrined in the Universal Declaration of Human Rights, through the application of the ESG Policy.

[S1-1 DP 20a]

In particular, with regard to workers' rights, respect for these rights is ensured by compliance with the applicable labour and trade union law, at European, national and sectoral level, including the application of the National Collective Bargaining Agreement.

[S1-1 DP 20b]

The Group's approach aims to ensure not only the protection of fundamental human rights, but also the active involvement of all workers, facilitated by continuous dialogue with trade union representatives.

[S1-1 DP 20c]

Through periodic discussions with the relevant stakeholders, the Group ensures that it identifies any negative impacts at an early stage and identifies the most appropriate processes to effectively remedy them through the Whistleblowing mechanism (see 4.1 ESRS G1 - Business Conduct, section 4.1.1 Corporate Culture and Whistleblower Protection, DP 10) and the listening and dialogue tools set up and described in the next section on channels.

[S1-1 DP 21]

The Group's policies are inspired by the principles sanctioned by the main international frameworks, with specific reference to the fundamental values of the United Nations Universal Declaration of Human Rights, approved on 10 December 1948, which guarantees the inalienable rights of every individual, promoting equality, dignity and freedom. Likewise, Banca Ifis adheres to the goals defined by the 2030 Agenda for Sustainable Development, a global action programme signed by 193 UN member states, which includes 17 Sustainable Development Goals (SDGs). These goals encompass crucial issues such as the fight against poverty and hunger, access to education and health, the transition to clean energy, social equity, and climate and biodiversity protection. Furthermore, the Bank is committed to the ten universal principles promoted by the UN Global Compact.

This integrated approach testifies to Banca Ifis's desire to contribute to sustainable development, both at corporate and global level, by consolidating an ethical and inclusive corporate culture.

[S1-1 DP 22]

With this in mind, the Banca Ifis Group ensures that its policies comply with internationally recognised instruments, including the United Nations Guiding Principles on Business and Human Rights, through the correct application of the National Collective Bargaining Agreement applied in the credit sector, as well as the relevant Italian and EU legal regulations. Specifically, the Group condemns any form of forced or child labour and has introduced a dedicated procedure to report any cases of discrimination, violence or harassment. The details of this instrument are discussed in more detail in the section on Policy on Combating Violence and Harassment in the Workplace (see 3.1 ESRS S1 - Own Workforce, section 3.1.4 Equal Treatment and Opportunity for All, DP 19 MDR-P).

Actions

[S1-4 DP 38a]

As part of the protection of working conditions, the Banca Ifis Group is aware of the importance of ensuring stable and safe working conditions for all its employees. More specifically, the Group has taken targeted actions to mitigate employment instability, a major issue arising from the use of fixed-term and temporary contracts.

[S1-4 DP 37 MDR-A]

Specifically, the Human Resources Department, once a year:

- ensures the balance between fixed-term and open-ended contracts, through the application of legal regulations and the National Collective Bargaining Agreement for Credit;
- favours permanent hiring, with a focus on creating stable positions for employees and seeks to use fixed-term and temporary contracts only for specific needs, with the aim of fostering growth and stable development of the organisation;
- implements additional actions in order to stabilise resources hired on fixed-term or apprenticeship contracts, promoting the transition to open-ended contracts whenever possible.

[S1-4 DP 38c]

The Banca Ifis Group has taken actions aimed at generating positive impacts, ensuring worker satisfaction and promoting their psychological-physical well-being. In particular, the Bank has put in place measures to respect employees' freedom of association, ensuring a fair and inclusive working environment. In addition, through specific trade union agreements (see 3.1 ESRS S1 - Own workforce, section 3.1.2 Work-life balance, DP 37 MDR-A), flexible working tools, such as flexitime and remote working, have been introduced, which are conducive to improving the psychological-physical well-being of employees. These initiatives testify to the Banca Ifis Group's concrete commitment to fostering workforce satisfaction and motivation.

[S1-4 DP 38d]

The monitoring of workers' satisfaction, guaranteed by respect for union agreements and freedom of association, is carried out mainly through union meetings, which take place, on average, once every two months. The assessment of satisfaction is carried out by the HR Labour Law Relations function, in cooperation with the other areas of Human Resources. In addition, the HR Labour Law Relations function provides the Parent Company's Board of Directors, as part of the 'exercise of delegated powers', with the main results of human resources management, including, by way of example, the turnover rate.

In a parallel fashion, the HR Business Partner (HRBP) Department contributes to monitoring by examining the impacts of the policies adopted, always in synergy with the other Human Resources Departments, thus ensuring an integrated and coordinated approach.

[S1-4 DP 39]

The Banca Ifis Group identifies the personnel management and evaluation processes as the main tools for determining the actions needed to reduce or address the negative impacts of any employment instability, with the adoption of such actions closely linked to trade union negotiations. During these negotiations, positive impacts are assessed in advance through structured proposals based on market benchmarks and simulations that consider both quantitative and qualitative aspects on employees. In addition, processes aimed at promoting the psychophysical well-being of workers, such as the introduction of flexible working hours and remote working, are defined within trade union agreements, which provide for follow-ups with trade union organisations to assess the effects. Data on the effects and utilisation of flexibility instruments are collected by the HR Admin & Payroll Department.

[S1-4 DP 41]

The Banca Ifis Group ensures the constant monitoring of the human rights and working conditions of the resources employed, while also favouring employment stability and the prevention of negative impacts resulting from corporate decisions. As mentioned in the previous section of the chapter, the decision to terminate business relations is therefore handled without direct impact on the human rights and working conditions of employees. Any employment issues that might arise would in any case be handled within the framework of what is defined by the Law and by all the instruments defined by the National Collective Bargaining Agreement for the Credit Sector signed by the Italian Banking Association (ABI) and the trade unions.

[S1-4 DP 43]

To ensure adequate working conditions and the responsible management of employment stability impacts and opportunities, Banca Ifis has defined specific responsibilities among the different departments. The Human Resources Department is responsible for assessing staffing needs and identifying opportunities for stabilising fixed-term contracts, helping to ensure continuity of employment, as well as ensuring compliance with current legislation and the rules defined by collective agreement. In addition, the HRBP Department is responsible for assessing employee satisfaction and compliance with union agreements, helping to promote a stable working environment that conforms to company standards.

3.1.6 Other work-related rights (privacy)

Group approach and policies

Banca Ifis Group considers the protection of personal data a mandatory principle that is key for building trust and developing a sense of security with customers as well as protecting the Group's reputation. The Group also strives to prevent and manage information security incidents in a timely manner in order to protect proprietary information, which includes, among other things, the data of customers, employees, suppliers, and any other party with which the Group does business.

[S1.SBM-3 DP 48a]

<table>
<tr><th>IRO description</th><th>IRO category</th><th>Connection with value chain</th><th>Time horizon</th><th>Main approaches to dealing with IROs</th></tr>
<tr><td colspan="5">Privacy</td></tr>
<tr><td>Violation of employees' right to privacy resulting from inadequate management systems or ineffective application of procedures and preventive actions</td><td>Potential negative impact</td><td>Own operations</td><td>Medium-term</td><td rowspan="4">• ESG Policy
• Group Code of Ethics
• Privacy regulatory manual
• Centralised organisational structure to manage the Group's Privacy and Security
• Training plans aimed at consolidating adequate awareness and a corporate culture based on IT security</td></tr>
<tr><td>Risk of operational losses due to unauthorised access to employee data (Data Breach) by Banca Ifis staff for personal gain</td><td>Risk</td><td>Own operations</td><td>Medium-term</td></tr>
<tr><td>Risk of loss due to breach of confidentiality, failure of systems and data integrity, inadequacy or unavailability of systems and data. This includes security risks resulting from inadequate or failed internal processes or external events, including cyber-attacks</td><td>Risk</td><td>Own operations</td><td>Medium-term</td></tr>
<tr><td>Promotion of initiatives aimed at ensuring confidentiality and privacy in the Banca Ifis workplace</td><td>Opportunity</td><td>Own operations</td><td>Medium-term</td></tr>
</table>

Privacy regulatory manual

[S1-1 DP 19 MDR-P]

The main internal regulatory source governing personal data protection is represented by the Privacy Regulatory Manual approved by the Board of Directors of Banca Ifis as Parent Company, and incorporated by the subsidiaries through Italian law. For foreign subsidiaries, Banca Ifis provides guidelines consistent with what is set out in the Manual, as part of the exercise of its management and coordination powers.

In particular, the Privacy Regulatory Manual defines the organisational model of privacy management and, together with other detailed procedures on the subject, describes the set of guidelines and rules of conduct, to be followed by both internal and external players to the Group, regarding the processing and protection of personal data in the context of company operations, both ordinary and extraordinary. Through the application of the Manual, the Group aims to protect the personal data processed by Banca Ifis and the Italian-registered companies it controls, ensuring respect for fundamental freedoms and promoting the proper handling of personal data. In particular, in implementing the protection of confidentiality, the Bank is committed to complying with all industry regulations, including codes of conduct promoted by trade associations (e.g. Unirec Code of Conduct in debt collection) and has developed the Manual in full compliance with the principles of the General Data Protection Regulation (GDPR):

- lawfulness, fairness and transparency: any processing must have a legitimate legal basis (such as consent, performance of a contract or a legal obligation) and the data subject must be clearly informed of how the processing is carried out;
- purpose limitation: data must be collected for specific and legitimate purposes and must not be further processed in a way incompatible with those purposes;
- data minimisation: data collected must be adequate and relevant, limited to what is necessary in relation to the purposes of processing;
- integrity and confidentiality: data must be protected against unauthorised access, loss, destruction or accidental damage by appropriate technical and organisational measures.

It is crucial for the Bank that everyone respects the principles of data protection, which is why it attaches great importance to the interests of its many stakeholders, both internal and external, and defines specific roles and responsibilities for each. In order to ensure maximum transparency and accessibility to this tool, Banca Ifis has published an abstract of the regulatory privacy handbook on its corporate website.

There is no periodic review process of the Privacy Rulebook, while the process of monitoring its correct application is the responsibility of the control functions.

Actions

[S1-4 DP 38a]

Banca Ifis aims to mitigate the possible negative impacts related to violations of employees' right to privacy, which could result from inadequate management systems or ineffective application of procedures and preventive actions.

[S1-4 DP 37 MDR-A]

In the course of 2024, an in-depth review was conducted of the process for managing personal data relating to employees, whether active or terminated, in e-mail, repositories and backups, with the aim of further regulating access to this information according to even stricter criteria. In line with the indications of the Guarantor Authority, the prescriptions contained in the 'Guideline Document. Computer programmes and services for managing e-mail in the work context and processing metadata', restrictively regulating the use of metadata generated by the use of corporate e-mail.

In addition, a specific process was formalised to limit or prohibit access to images collected by video surveillance systems, ensuring greater protection of the privacy of employees and collaborators.

[S1-4 DP 38d]

In order to ensure the effectiveness of actions and the protection of workers' rights, processing operations that could pose a high risk to their privacy rights and freedoms are monitored with particular attention. Such processing is subject to a prior data protection impact assessment, as required by Article 35 of the GDPR [41]. The assessment, which is conducted in accordance with the guidelines of a methodological manual specifically drawn up by the Group, aims to identify and analyse potential risks associated with data processing. Then, all appropriate and necessary safeguards are taken to mitigate the identified risks in order to protect the rights and freedoms of the workforce.

41 Article 35 GDPR: Data Protection Impact Assessment (DPIA), which is mandatory when a processing of personal data is likely to present a high risk to the rights and freedoms of data subjects, providing for a prior analysis of the measures necessary to mitigate such risks.

[S1-4 DP 40a, b]

As previously mentioned, the Banca Ifis Group may incur significant risks, such as operational losses arising from unauthorised access to employee data (data breach) by its staff as well as breaches of confidentiality due to damage to the integrity of systems and data, as well as the inadequacy or unavailability of the systems themselves, including risks related to cyber-attacks or failed internal processes; simultaneously, the Bank's focus on these issues may promote initiatives aimed at ensuring privacy within the work environment, further enhancing data security and protection.

[S1-4 DP 37 MDR-A]

In 2024, the Group consolidated its training with respect to cybersecurity issues, also in line with Bank of Italy Directive 2013/285, by implementing a structured programme. On the one hand, training activities were organised to obtain certifications for key figures; on the other hand, awareness-raising events were held for all employees, focusing on best practices to prevent cyber attacks.

Ifis Talent's digital library has been enriched with new compulsory training courses on 30 topics of phishing and IT security, complemented by a series of fifteen training pills on 'Digital Transformation'. In addition, awareness-raising campaigns such as the 'Flash Cyber News' newsletter were revamped to update employees on the latest cyber threats and provide useful tools to counter them.

In addition to this, phishing simulation campaigns were conducted to further raise staff awareness and improve the level of regulatory compliance and cyber security posture required to support the digital evolution path. In particular, the first inter-bank phishing championship was set up, aimed at the entire corporate population, in which employees of Italian companies were divided into teams and simulated phishing campaigns were then carried out. Each user participated in at least 3 of the 6 campaigns, following which, depending on the behaviour adopted, different scores were given and different training contents were associated.

Through this competition, the relevant office monitored the progress and effectiveness of the campaigns, analysing the progress in employee awareness, the response methods adopted and the identification of the most critical threats. The analysis conducted showed a significant improvement in employees' attention to potential threats and an increased awareness of the security measures to be taken to prevent data loss, particularly with respect to the following three areas: the number of clicks made on suspicious links, any credentials entered, and e-mails reported as potential threats.

Finally, the Bank strengthened its cyber intelligence and open source intelligence (OSINT) services to increase internal awareness and confirmed its membership of the CERTFin service, which allows it to receive real-time reports on fraud attempts in the banking sector, which are then shared with the relevant structures.

[S1-4 DP 39]

With particular reference to the IT security management process, this consists of four interconnected phases: planning, to define security policies, objectives and controls; implementation, to implement the measures established with the involvement of the relevant corporate functions; verification, to monitor the performance of the solutions adopted and analyse their results; and improvement, to apply corrective and preventive actions based on the verifications carried out. This approach ensures continuous and adaptable IT security management, aligned with business objectives. To address possible violations of employees' right to privacy caused by inadequate management systems or the ineffective application of preventive procedures, the Group has adopted specific organisational measures. In particular, strict internal regulations have been introduced that regulate in detail the process for accessing, where necessary, personnel information on company systems. These rules apply to both active employees and terminated users. In addition, technical measures have been implemented to limit access only to authorised functions and only in strictly indispensable situations, in compliance with the principle of minimisation and limitation of data retention times.

[S1-4 DP 41]

In addition to the safety precautions described above, Banca Ifis is committed across the board to ensuring that there is no negative impact on the well-being of its employees.

The practices followed by the Group are developed in full compliance with current labour legislation and are supported by constant dialogue with trade union representatives and, when necessary, with the Territorial Labour Directorates. This concerns both the adoption of technologies that could involve remote control of workers and the installation of video surveillance systems for the protection of company assets. All procedures are made accessible to staff in a transparent manner, through the publication of regulations and circulars on the company intranet and, if necessary, through specific presentations given by management.

In addition, Banca Ifis ensures that the right to privacy is protected not only during the employment relationship, but also at its end, by guaranteeing the timely deactivation of the employee's e-mail box, limiting the retention of information contained in mailboxes and other repositories, and the secure management of the terminated employee's personal information.

Employees' right to privacy is regulated by specific and thorough internal procedures, made available to staff in a fully transparent manner by publishing them on the company intranet; they regulate, among other things, the process of access and/or deletion of employees' personal information. The process in question is traced by means of a special ticket, which allows it to be reconstructed ex post, and is managed exclusively by specific, suitably trained and authorised resources, in compliance with the principle of minimisation that informs the Group's operations.

[S1-4 DP 43]

To ensure compliance with privacy and data security regulations, specific responsibilities have been assigned to the Privacy Unit, which operates within the Privacy & Security Department. This unit prepares and updates the internal documentation required by the regulations, monitors compliance with the relevant laws and checks the effectiveness of the security measures implemented. It also analyses how personal data is processed, assesses the associated risks, and examines the privacy impacts of new products, services, activities or software introduced by the Bank.

The Privacy Unit informs the various corporate functions about regulatory changes, providing support to ensure compliance, and works with the Human Resources Department to promote a privacy-aware corporate culture by organising periodic training sessions for staff. In the context of business continuity, it carries out the business process impact analysis and draws up the corresponding plan, thus contributing to responsible and integrated data protection management.

3.1.7 Engagement processes

[S1-2 DP 27,a,b,c]

Scope	Method of engagement [1]	Phases, type and frequency of engagement	Department with operational responsibility
Health and safety	Workers' Safety Representatives	• Participation in the risk assessment process in case of new openings; • consultation in the event of substantial changes under the scope of a variation of appointed physicians, or in risk assessment; • participation in the annual periodic meeting (Italian Legislative Decree no. 81/08, Art. 35) as an important element of the safety management process; • the workers' representatives are also entitled to request an extraordinary meeting	Workers' representatives is the responsibility of the Employer, or relevant delegate
Work-life balance	Workers' representatives	• Bi-monthly average frequency	HR Department and the Director of Human Resources
Equal treatment and opportunities for all			
Working conditions			
Training and knowledge development	Employees	• Survey through interviews and focus groups	HR Department and the Director of Human Resources
Other work-related rights (privacy)	Workers' representatives	• Where necessary, through meetings with workers' representatives and trade associations and/or trade unions	Human Resources Department

(1) As far as the agreements regulating relations with workers' representatives and trade unions are concerned, Banca Ifis's headmasters are directly traceable to the National Collective Bargaining Agreement for the credit sector signed by ABI (to which the Banca Ifis Group is a member and to which it assigns the mandate of representation at the national level) and, more generally, to all the agreements on trade union freedoms and various protocols stipulated by ABI itself with trade union organisations.

Discussions with workers' representatives represent an important opportunity for dialogue and confrontation, making it possible to address key issues such as work-life balance and the protection of weaker groups, ensuring proper management of the related impacts. The Human Resources Department takes charge of these requests, drawing up proposals that are then shared with the Bank's decision-making bodies, at both information and approval levels. This structured process of receiving requests, evaluating them, working out solutions and then presenting them at decision-making tables allows the needs that emerge to be translated into concrete initiatives for the benefit of workers and the organisation.

[S1-2 DP 27e]

The company assesses the effectiveness of the involvement of its workforce and the agreements reached through regular meetings with workers' representatives, aimed at monitoring the results achieved and the level of employee satisfaction. This assessment is also supported by the ongoing employee relations activities carried out by the HR Business Partner (HRBP) Department, ensuring constant dialogue and proactive attention to staff needs.

[S1-2 DP 28]

The Banca Ifis Group adopts specific questionnaires to understand and assess the needs and perspectives of employees particularly vulnerable to workforce-related impacts. In this context, a key role is played by HRBPs, who ensure a continuous and direct dialogue with these workers, facilitating the timely and effective resolution of any critical issues and developing specific initiatives for specific categories of workers. In particular, with the aim of supporting work-life balance, the Bank has implemented targeted measures, such as offering additional smart working days to parents and pregnant workers, and prioritising smart working days for workers with disabilities or caring responsibilities.

In order to better understand the perspectives of these vulnerable workers and prevent the risk of marginalisation, the Bank has planned to structure specific questionnaires in the area of equal treatment and opportunities for all, with a particular questionnaire planned for 2025. In addition, as part of the gender equality certification process, targeted interviews were conducted with employees to verify their knowledge of the actions taken and policies adopted in this area.

3.1.8 Channels

[S1-3 DP 32a]

For the Banca Ifis Group, dialogue with employees is an important element in fostering a relationship based on sharing and collaboration. The objective is to help reduce any insecurity situations related to incidents of harassment, lack of protective measures for workers or lack of awareness-raising initiatives, in order to promptly remedy any potential or actual negative impacts. Through open and constructive discussion, the Bank aims to create a safe, inclusive and respectful working environment in which every employee can feel protected and valued.

Any conduct contrary to these principles may be reported through the Whistleblowing mechanism (see 4.1 ESRS G1 - Business Conduct, section 4.1.1 Corporate Culture and Protection of Whistleblowers, DP 10) in the event of a report of any conduct, action or omission that violates national or European Union regulatory provisions and which harms or may harm the public interest or the integrity of Banca Ifis Group companies; or, through the channel of the Trust Advisor(s) in the event of unacceptable behaviour, concerning acts of discrimination, sexual and moral harassment, as better identified by the Policy for Combating Violence and Harassment in the Workplace. In addition, for 'Health, Safety and Environment' issues, employees can refer to a dedicated section within the Service Desk application available on the company intranet. Finally, another key point of reference is the HRBP Department, which ensures direct contact with employees, facilitating constant dialogue on regulatory, management and pay topics.

Whistleblowing

[S1-3 DP 32b]

The Whistleblowing system, described in detail in relation to business conduct (see 4.1 ESRS G1 - Business Conduct, Section 4.1.1 Business Culture and Whistleblower Protection, DP 10) allows for anonymous reporting, ensuring the protection of the whistleblower.

[S1-3 DP 32a,32c]

The reports can be submitted using different channels and are handled by the Head of Internal Audit, who examines and investigates them based on the principles of impartiality, privacy, dignity of the employee and protection of personal data.

In order to investigate the contents of the reports, the Head of Internal Audit may:

- speak to the Whistleblower and request additions from the latter, if necessary;
- make use of the staff of the organisational unit it supervises;
- involve staff from other organisational units;
- make use of the support of third parties where strictly necessary or appropriate in the light of the particular subject matter of the report received.

Upon conclusion of the investigation, the Head formalises his assessments and forwards them onto the Chief Executive Officer of the Parent Company and, if applicable, to the Supervisory Body of the Parent Company and/or the Subsidiary, except for potential incompatibilities.

In order to ensure the effectiveness of the measures taken by the Bank to remedy the situations that have arisen, evaluations are carried out on a case-by-case basis, analysing each situation and its circumstances in detail. More specifically, decisions on the acts or facts detected are taken by the specific organisational units or by the competent corporate bodies, which, if necessary, involve the Human Resources Department for the adoption of any disciplinary measures or for the management of communications to the Involved Person.

[S1-3 DP 32d]

Banca Ifis guarantees the accessibility and availability of whistleblowing channels through a structured internal system, which implements the European Directive 2019/1937 on the protection of whistleblowers. The procedures for reporting are communicated to employees by means of internal rules available on the company website, ensuring transparency and easy access to information.

The Bank has extended the possibility of reporting to all those who work or collaborate with the Group, thus widening the pool of whistleblowers. Several reporting tools are in place, allowing the reporting of acts, facts or omissions that may constitute violations of laws or internal procedures. The system adopted ensures the confidentiality of the personal data of the whistleblower and the alleged perpetrator, providing a safe and secure environment for the handling of reports.

[S1-3 DP 32e]

The tests carried out during 2024 did not reveal any problems with the proper functioning of the internal reporting systems; in fact, the recent tests on the availability of the Whistleblowing application and the toll-free number were positive. In addition, as for previous years, no incidents of discrimination were reported in 2024.

Trust Advisor

[S1-3 DP 32b]

As mentioned above, the Group has made available to employees an external channel, the 'Trust Advisor' (CoF), through which they can report conduct contrary to company principles, human rights violations, incidents of violence or harassment in the workplace.

[S1-3 DP 32c]

The mechanism for reporting and handling grievances has two modes: an informal process, aimed at fostering timely resolution of issues through dialogue and discussion, and a formal process, which involves the activation of structured procedures for the management and possible follow-up of reports:

[S1-3 DP 32e]

- informal procedure: relating to minor cases that can be traced back to mostly unconscious behaviour and can be resolved through awareness-raising or mediation. This procedure must be concluded as quickly as possible in relation to the sensitivity and complexity of the concrete situation, reasonably within 45 days, and must provide for subsequent monitoring to verify its success.
  If the reported conduct is repeated and/or retaliatory behaviour towards the Whistleblower and/or the Witnesses is carried out, the formal procedure may be followed.

- formal procedure: this is triggered in all situations deemed by the reference person (CFO, HRBP or manager) to be of a significant scale or attributable to serious discrimination or harassing or violent conduct particularly damaging to a person's dignity, or repeated, or representing a high-risk factor for the person and/or the organisation. The formal procedure is managed by the HR Business Partner (HRBP), with the power to notify the Trust Advisor for the purpose of complete data collection. If the report of serious facts is addressed to one's superior or to the Trust Advisor, he/she assesses the risk of repetition and the degree of dangerousness and seriousness of the situation and promptly (within 48 hours) communicates the facts to the HRBP, which then provides for the possible securing of the person subjected to the harmful conduct and initiates a preliminary investigation phase aimed at ascertaining the justification for what has been reported. This process must be concluded in accordance with the law and in relation to the sensitivity and complexity of the concrete situation. Following the outcome of the investigation, the Bank takes the appropriate disciplinary measures, in accordance with the law, the relevant National Collective Bargaining Agreement and the Policy.

The Trust Advisor reports annually to the Human Resources Department on the activities carried out, taking care to omit the identification data of the persons involved in order to guarantee their confidentiality.

[S1-3 DP 32d]

Employees are also informed of the existence of the channel by means of information, training and awareness-raising activities on the topics of the Policy, carried out by the Trust Advisor(s), with a view to preventing and combating non-compliant behaviour.

Privacy

[S1-3 DP 32b]

Employees' right to privacy is guaranteed and protected through internal processes and regulations in line with the General Data Protection Regulation (GDPR), enabling employees to exercise their rights in a safe and secure manner.

[S1-3 DP 32d]

To raise concerns or exercise their rights under the GDPR, employees may use the dedicated channels provided by the Group, such as the e-mail address privacy@bancaifis.it, managed by the Data Protection Officer, or contact the Data Protection Officer directly at rpd@bancaifis.it.

[S1-3 DP 32c]

The handling of such requests is governed by an internal procedure involving, in addition to the privacy structure, the Human Resources Department and, when necessary, the ICT department.

[S1-3 DP 32e]

Mailboxes are constantly monitored and access to information is restricted to authorised personnel, in accordance with the principle of data minimisation. Furthermore, workers are adequately informed of their rights and the channels available to them through specific information available on the company intranet, in line with the principle of transparency.

[S1-3 DP 33]

The Banca Ifis Group assesses, through the use of the corporate intranet and dedicated communication channels (HRBP, CdF, Intranet, Whistleblowing), whether employees are aware of the existence of structured processes to address and resolve negative impacts that could affect the workforce, as well as of the channels available to them to raise concerns and ensure they are adequately addressed. In particular, a survey is to be delivered to all employees on diversity and inclusion, aimed at assessing several parameters, including the level of knowledge of the Group's tools and processes on these issues. The survey will also be aimed at investigating employees' perceptions of the effectiveness of the Bank's equal opportunities procedures and controls, such as the Code of Ethics, the Gender Equality Policy, the Anti-Harassment Policy and other related initiatives.

As part of the gender equality certification process, targeted interviews were also conducted to verify knowledge of actions taken and policies related to equal treatment and opportunities for all.

Lastly, through the adoption of the Whistleblowing Policy (see 4.1 ESRS G1 - Business Conduct, section 4.1.1 Corporate culture and protection of whistleblowers, DP 7 MDR-P) the Banca Ifis Group guarantees all the necessary measures to protect the physical integrity and moral dignity of whistleblowers, ensuring them adequate protection against any form of retaliation, penalisation, discrimination or threat. At the same time, the Policy for Combating Violence and Harassment in the Workplace will ensure fair protection of both the Whistleblower and the Reported Person, specifying that no disciplinary action or sanction is envisaged against those who report in good faith facts that, after verification, turn out to be unfounded. Furthermore, all interviews that will be conducted will be strictly bound by the principle of confidentiality, to protect those involved.

3.1.9 Targets

[S1-5 DP 46 MDR-T]

Banca Ifis has defined specific targets for its employees to promote an inclusive and sustainable corporate culture. These objectives include the continuous improvement of employee welfare, increasing diversity and equity within the organisation, and the enhancement of sustainability topics in professional development paths.

For example, the goal of increasing gender equality and diversity within the organisation is in line with EU directives on promoting gender equality and reducing inequalities. Likewise, the integration of ESG criteria into the remuneration system responds to European guidelines on sustainable finance and the need to encourage responsible business practices.

[S1-5 DP 47c]

The defined targets were set in percentage terms, with the intention of aligning with internationally recognised metrics, highlighting the bank's positive trends and monitoring progress in a clear and measurable manner.

In light of the structured commitment to these topics, they were set both with a view to maintaining current performance in order to consolidate the results achieved, and with a view to improvement in strategic areas where further significant progress can be achieved.

Sub-topic	Target	Type	Baseline	Target year
Work-life balance	Smart working 40% Number of days/month smart working	Maintenance Target	40% days smart working/month (2024)	2026
Equal treatment and opportunities for all	Gender parity on the workforce >50% women	Maintenance target	53% women (2024)	2026
	Women in leadership roles >40%	Target increase	39% (2024)	2026
	Minimum open-ended contracts >97%	Maintenance target	97% (2024)	2026
	Application of ESG KPIs to the remuneration system Incentive variable (1) 100% of employees of the Group's Italian companies	Maintenance target	100% of employees of the Group's Italian companies	2026
	Remuneration of top management related to ESG topics 15-20% Variable remuneration of top management linked to sustainability (2)	Maintenance target	15-20% Variable remuneration of top management linked to sustainability (2024)	2026
	ESG training 100% of the perimeter considered with at least 2 courses in 3 years	Target increase	80% of the perimeter considered with at least 2 courses in 3 years (2024)	2028

(1) The target set refers to the productivity bonus and MBO aimed at all employees of Italian Group companies.
(2) It should be noted that the management and supervisory bodies do not have variable remuneration systems with the exception of the Chief Executive Officer.

[S1-5 DP 47a]

The objectives described above were set with the direct involvement of the Sustainability Committee. In addition, sub-topics are identified taking into account the constant dialogue that takes place with workers' representatives (particularly on the issue of work-life balance) and the indications that emerge from the monitoring process of the Group Policy for the Promotion of Diversity and Inclusiveness, on the issues of equal treatment and opportunities for all.

[S1-5 DP 47b]

Similarly, the Sustainability Committee is permanently involved in the processes of monitoring the achieved objectives and improving the planned targets.

In addition, in view of the normal involvement of workers' representatives, which takes place constantly through planned meetings, it is possible to monitor the aspects most closely adhering to the agreements reached with the aforementioned representatives, as well as to receive indications and/or suggestions useful for achieving the predefined objectives.

Therefore, these objectives, developed in line with international best practices, will be reviewed periodically to ensure their alignment with employee needs and ESG criteria, reinforcing the role of sustainability as a strategic lever for business success.

3.1.10 Metrics

[ESRS 2 DP 77 MDR-M]

In line with the approach adopted for quantitative climate change data, in the process of reporting on its own workforce metrics, Banca Ifis worked closely with the relevant business functions, ensuring qualified and targeted input in their respective areas. The methodologies and assumptions adopted are fully compliant with the European Sustainability Reporting Standards (ESRS) and current regulations, guaranteeing transparency, consistency with European sustainability standards and accurate and reliable reporting.

[S1-6 DP 50a,d,di,dii,f AR 55]

Total employees (1)	UoM	2024
Men	No.	952
Women	No.	1.061
Other	No.	0
Not reported	No.	0
Total	**No.**	**2.013**

(1) The employees of all Group companies as at 31 December 2024 were counted in the headcount. The number of employees of the Group is in line with the value reported in the Notes to the Consolidated Financial Statements: Part C - Information on the Consolidated Income Statement, Section 12 - Administrative Expenses - Item 190.

[S1-6 DP 50a,d,di,dii AR 55]

Total employees (1)	Country	UoM	2024
	Italy	No.	1.983

(1) In the count, in number of persons, only employees of Italian companies as at 31 December 2024 as foreign companies do not exceed the 10% limit or the number of 50 employees.

[S1-6 DP 50b,bi,bii,biii,d,di,dii AR 55]

Total employees (1)	UoM	2024
Permanent employees (total)	No.	1.962
Men	No.	924
Women	No.	1.038
Other	No.	0
Not reported	No.	0
Temporary employees (total)	No.	51
Men	No.	28
Women	No.	23
Other	No.	0
Not reported	No.	0
Total	**No.**	**2.013**

(1) The count, in number of persons, includes the employees of the entire Group perimeter including foreign companies as at 31 December 2024. In addition, apprentices were also included within the category of permanent workers. The information is extracted from the Cedacri application (until 31 December 2024) for Banca Ifis, Ifis Npl Servicing, Ifis Npl Investing and Ifis Rental Services. For Cap.Ital.Fin., the data is provided by Studio TP Service, while for Banca Credifarma they are extracted from the Zucchetti application. For foreign companies, the data for Poland is compiled by Grant Thornton Studio and those for Romania by Crowe Studio.

Note that given that operations mainly take place in Italy, no breakdown of data is given by geographic area. In addition, the Banca Ifis Group did not employ any employees with variable working hours during the reporting period.

[S1-6 DP 50c,d,di,dii]

Total employee who have left the organisation	UoM	2024
Voluntary (1)	No.	73
Due to dismissal (2)	No.	5
Due to retirement (3)	No.	0
Due to death (4)	No.	1

(1) The total number of persons who left the company due to voluntary resignation has been included in the count (fixed-term terms and contract terminations within the group have been excluded and employees who left due to consensual termination have been included).
(2) The number of persons dismissed for failure to complete the probationary period and for just cause has been included in the count.
(3) In the count, following the extraction from the Bank's systems, there is no distinction of employees who resigned due to retirement, who are jointly included in line 16 (voluntary resignation).
(4) It is specified that the death is not attributable to work-related causes.

It should be noted that the employee turnover rate during 2024 was 3,9%, calculated using the total number of Group employees, including foreign companies, as the denominator of the KPI.

[S1-8 DP 60a,b]

Employees covered by collective bargaining agreements (1)	Country	UoM	2024
Percentage of total employees covered by collective bargaining agreements	Group	%	99
Percentage of total employees covered by collective bargaining agreements are within coverage rate by country (within the EEA)	Italy	%	100

(1) Considered in the count, in number of persons, only employees of Italian companies as foreign companies do not exceed the limit of 10% or 50 employees.

[S1-8 DP 63a]

Employees covered by workers' representatives	Country	UoM	2024
Percentage of employees in the country (EEA) covered by employee representatives	Italy	%	100

[S1-8 DP 63b]

There are no agreements with employee representatives of the European Works Council (EWC), the Societas Europaea (SE) Works Council, or the Societas Cooperativa Europaea (SCE) Works Council. There are agreements with workers' representatives at national level for all employees of Group companies based in Italy that apply the National Collective Bargaining Agreement for the credit sector.

[S1-8 AR 70]

Coverage rates	Collective bargaining coverage		Social dialogue
	Employees - EEA (for countries with >50 employees representing >10% of total employees)	Employees - Non-EEA (estimate for regions with >50 employees representing >10% of total employees)	Workplace Representation (EEA only) (for countries with >50 employees representing >10% of total employees)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Italy		Italy

[S1-9 DP 66a, AR 71]

Gender distribution at top management level (1)	UoM	2024
Men	No.	10
	%	77
Women	No.	3
	%	23
Other	No.	0
	%	0
Not reported	No.	0
	%	0
Total	**No.**	**13**

(1) Top management refers to the first reports of the Group CEO, in line with the definition of the Corporate Governance Code and the section of the Banca Ifis Group's institutional website.

[S1-9 DP 66b]

Total employees by age group [1]	UoM	2024
Under 30 years old	No.	117
	%	6
Between 30 and 50 years old	No.	1.457
	%	72
Over 50 years old	No.	439
	%	22
Total	**No.**	**2.013**

(1) The figures include the entire Group perimeter including foreign companies.

[S1-10 DP 69]

All Banca Ifis employees receive a fair and adequate salary, established in accordance with applicable benchmarks and in full compliance with applicable regulations. The company is committed to promoting remuneration that reflects the principles of fairness, transparency and sustainability, valuing the contribution of each employee and ensuring economic conditions in line with industry best practice.

[S1-12 DP 79]

Own employees with disabilities [1]	UoM	2024
Percentage of employees with disabilities, subject to legal restrictions on the collection of data	%	5

(1) Workers belonging to both types of protected categories were included in the count: Disabled civilians (87) and workers hired under Art. 18 of Law 68/99 (no. 12) - Foreign companies were excluded due to the non-application of the regulations (there are no obligations to hire disabled personnel under the Romanian and Polish national regulations). For these reasons, employees of foreign companies were excluded from the numerator, while the total number of Group employees (including foreign companies) was used as the denominator for the KPI calculation.

[S1-13 DP 83a, AR 77]

Regular performance and career development reviews	UoM	2024
Men	%	89
Women	%	94
Other	%	0
Not reported	%	0
Number/proportion of performance review per employee	%	92
Number of reviews in proportion to the agreed number of reviews by the management	%	100

The Perform Up 2024 process refers to the performance achieved in the previous year, involving all employees hired by 30 September 2023 who have served at least three months in that year. Therefore, not all active employees as at 31/12/2024 took part in the process. It should be noted, however, that the new Performance Management process encourages the formalisation of feedback from the evaluator for each member of their team at the Mid-Year Review stage. This feedback will be counted in the next reporting as it relates to performance in 2024.

[S1-13 DP 83b, AR 78]

Average number of training hours per employee and by gender	UoM	2024
Men	No.	27
Women	No.	22
Other	No.	0
Not reported	No.	0
Average number of training hours	No.	25

The average number of training hours per employee is 25 hours, with a balanced gender distribution.

[S1-14 DP 88c,d,e]

Work-related accidents	UoM	2024
Number of recordable work-related accidents for own workforce (1)	No.	17
Rate of recordable work-related accidents for own workforce (2)	No.	5

(1) Indicate the number of accidents as per Communications sent to INAIL (no accidents were reported for foreign companies).
(2) The figure was provided for the entire perimeter including foreign companies and is calculated as the ratio of the number of accidents at work to the number of hours worked by employees (including holidays and paid sick leave).

In detail, 17 work-related accidents occurred during 2024. Dangers at work constituting a risk of injury with serious consequences include the dangers linked to the work carried out by (sales and other) staff using a company car to visit customers or for business travels, or simply while commuting.

In addition, it should be noted that during 2024 the absenteeism rate stood at 1,53, a figure calculated as the ratio of the total number of working days in the year to the number of sick days and accidents recorded.

[S1-14 DP 88b,d,e]

Work-related ill health	UoM	2024
Number of cases of recordable work-related ill health of employees	No.	0
Number of fatalities in own workforce as a result of work-related injuries and work-related ill health	No.	0
Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking’s sites	No.	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health of employees	No.	7.812

During 2024, there were no cases of occupational diseases for employees. Major hazards that may cause future occupational disease, identified through risk assessment, include those derived from the following risk factors:

- physical such as noise and vibration of the hand-arm system and whole body;
- inherent in the workplace and the organisation of work, such as proper ergonomics of the workstation and the use of video terminals.

[S1-14 DP 88a]

Note that the percentage of people in its own workforce who are covered by the health and safety management system based on legal requirements and/or recognised standards or guidelines is 99%.

[S1-16 DP 97a]

Gender pay gap	UoM	2024
Gender pay gap including Identified Staff	%	20
Senior managers	%	5
Middle managers	%	6
Clerical staff	%	1

The gender pay gap was calculated considering the fixed hourly wage, which includes the gross annual remuneration (RAL) and any role-related allowances (RBA).

The overall gap was 20%, calculated as the difference between the average gross hourly wage of male employees and the average gross hourly wage of female employees, compared to the average gross hourly wage of male employees (as a percentage). The gender pay gap calculated in this way includes staff categories that are not homogeneous with each other and not comparable in terms of complexity and organisational weight; in particular, the largest staff category makes the overall figure insignificant. Therefore, evidence is given of the gap by classification, excluding Identified Staff: Managers: 5%, Executives: 6%, Clerical staff: 1%.

[S1-16 DP 97b]

Annual total remuneration	UoM	2024
Annual total remuneration ratio (1)	No.	43

(1) The annual total remuneration ratio is calculated as the ratio of the CEO's total remuneration to the median annual total remuneration of all employees (excluding the highest paid). The following remuneration institutions were considered for the total remuneration of the CEO: RAL paid on 31/12/2024, total TSI accrual 2023 assigned 2024, various benefits. The following remuneration institutions were considered for the total median annual remuneration: RAL as at 31/12/2024, tenure allowance as at 31/12/2024, covenants paid in 2024, entry bonus paid in 2024, total TSI pertaining to 2023 awarded in 2024, variable result bonus awarded in 2024, welfare recognised in 2024 and its portion converted into welfare, various benefits (e.g. health, life, accident, car, mortgage, etc.). It is specified that the calculation methodologies did not include the LTI component, as the vesting period of the Plan (2021-2023) has ended;

[S1-17 DP 103a,b,c]

Discrimination	UoM	2024
Number of incidents of discrimination	No.	0
Number of complaints filed through channels for people in own workforce to raise concerns	No.	2
Number of complaints filed with National Contact Points for OECD Multinational Enterprises	No.	0
Amount of fines, penalties and compensation for damages as a result of the incidents of discrimination, including harassment and complaints filed	No.	0

During 2024, a total of 2 whistleblowing reports were received, none of which was recognised as a report of an incident of discrimination or of the other cases covered by the report.

[S1-17 DP 103c]

No evidence or reports of discrimination and harassment cases and related fines or sanctions were found for 2024.

[S1-17 DP 104a,b]

Human rights	UoM	2024
Number of severe human rights incidents connected to own workforce that are cases of non-respect of UN Guiding Principles, ILO Declaration on Fundamental Principles and OECD Guidelines for Multinational Enterprises	No.	0
Number of serious human rights incidents connected to own workforce	No.	0
Amount of material fines, penalties and compensation for severe human rights issues and incidents connected to own workforce	No.	0

[S1-17 DP 104b]

There is no evidence for 2024 of reports of human rights violations and related sanctions.

3.2 S2 - Workers in the value chain

Material impacts, risks and opportunities

[S2.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Working conditions				
Violation of workers' rights through the use of suppliers who do not protect workers' rights (e.g. adequate wages, safe employment, health and safety, etc.)	Potential negative impact	Value chain	Medium-term	• ESG Policy • Group Code of Ethics • Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of individual companies • Group Expenditure Cycle Management Policy • Sustainable Procurement project
Reputational risk linked to the presence along the value chain of business relationships with entities that do not have adequate measures/policies on working conditions	Risk	Value chain	Medium-term	
Promoting collaborations with suppliers and business partners that have obtained social and environmental certifications	Opportunity	Value chain	Medium-term	
Equal treatment and opportunities for all				
Lack of development of young talent, promotion of gender equality and inclusive, non-discriminatory practices towards workers in the value chain	Potential negative impact	Value chain	Medium-term	• ESG Policy • Group Code of Ethics • Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of individual companies • Group Expenditure Cycle Management Policy • Ifis Academy training courses aimed at the value chain
Reputational risk linked to the presence along the value chain of Banca Ifis Group business relationships with entities that do not have adequate measures/policies on equal treatment and opportunities for all	Risk	Value chain	Medium-term	

[S2.SBM-3 DP 10a]

Workers in the Banca Ifis value chain, with particular reference to the supply chain, represent a significant component of the Group's business. In addition, Banca Ifis is aware that maintaining a high quality in relations with suppliers means contributing to an economic development that is attentive to environmental protection and respect for human rights. The main categories of professional and non-professional services, in particular consulting or legal services, outsourcing services, customer information services and services related to the use or support of software, are highly strategic for the Group's results. For this reason, it is of paramount importance that the Bank's suppliers are carefully selected with a view to minimising potential negative impacts related to the violation of workers' rights caused by a lack of protection.

[S2.SBM-3 DP 11a]

The material impacts are potentially addressed to all workers in the Group's supply chain, regardless of type or job classification. It should be noted, however, that the Group has identified a potential impact related to the lack of development of young talent, the promotion of gender equality and the adoption of inclusive and non-discriminatory practices within the value chain, which particularly affects the categories of young workers and women workers, who are considered particularly vulnerable to any resulting negative effects.

[S2.SBM-3 DP 11ai-v]

In terms of the types of stakeholders impacted, workers in the Group's supply chain operate predominantly by entities in the upstream value chain of the company. Furthermore, at geographical level, the Group's suppliers are mainly located in Italy and are therefore subject to current regulations on the protection of workers' rights and privacy.

[S2.SBM-3 DP 12]

Banca Ifis, as part of the double materiality assessment, carried out a careful and detailed mapping of its supply chain, identifying the main categories of suppliers and their location.

At the same time, through risk analysis, assessments were carried out involving the entire supplier base. These analyses did not reveal any specific categories of workers with particular characteristics that are more exposed to risks.

[S2.SBM-3 DP 11c]

Potential negative impacts identified as material are related to the occurrence of individual incidents of labour rights violations, which are caused by the lack of protection afforded by the supply company. These impacts are potential as they are adequately addressed and mitigated by the Bank's various internal and external initiatives and regulations, as further described below.

[S2.SBM-3 DP 11e]

At the same time, material risks related to potential reputational and operational damage have been identified on supply chain workers, which could result from relationships with suppliers that do not comply with fundamental principles such as privacy, equal treatment, inclusion, diversity and safety at work. Violations of workers' rights could also generate legal and compliance consequences, with negative repercussions on business continuity and stakeholder trust.

At the same time, strategic opportunities were identified related to strengthening sustainability in the supply chain, through the selection and consolidation of relationships with suppliers that adopt ethical and sustainable practices, hold social and environmental certifications and guarantee respect for workers' rights. Such actions not only reduce the risks of non-compliance and improve corporate reputation, but also foster the creation of a more resilient supplier ecosystem in line with the Bank's sustainability goals, contributing to the generation of shared value in the long run.

[S2.SBM-3 DP 10b]

The material risks and opportunities identified are closely linked to the Bank's procurement strategy, as the acquisition of information related to the sustainability profile of suppliers in the broader procurement process enables the Bank to foster responsible practices along the value chain, increase the quality of suppliers by contributing to the promotion of workers' rights and the creation of a more ethical and sustainable supply chain.

[S2.SBM-3 DP 13]

These risks and opportunities affect all workers in the supply chain.

3.2.1 Worker-related rights in the value chain

Approach and reference policies

Over the years, the Banca Ifis Group has developed several policies aimed at ensuring the proper management of the above-mentioned impacts, risks and opportunities (IROs). In addition to the ESG Policy, which recalls the approach and general guidelines, the main policies for managing IROs are the Group Code of Ethics, the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 of the individual companies and the Group Expenditure Cycle Management Policy.

Consistent with its commitments in the social sphere, the Banca Ifis Group recognises the opportunity to accelerate the path of sustainable transition both within the Group and in its relations with key actors in the value chain.

Code of Ethics and Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001

[S2-1 DP 16]

Within the Code of Ethics (see 4.1 ESRS G1 - Business Conduct, section 4.1.1 Corporate Culture and Protection of Whistleblowers, DP 7 MDR-P), the Group has defined a series of commitments in the ESG sphere, in line with its values and principles and with reference to its business partners and actors in the value chain.

With specific regard to suppliers, they are required to approve the Code of Ethics when entering into contracts with Group companies and to adhere to it scrupulously during the contractual relationship. Specifically, when formalising contracts or supply agreements, the Group also requires the acknowledgement and acceptance of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, described in detail in relation to the conduct of enterprises (see 4.1 ESRS G1 - Conduct of Enterprises, Section 4.1.3 Corruption and bribery, DP 7 MDR-P). Finally, the Group Policy for Debit Cycle Management, also described in connection with the conduct of business (see 4.1 ESRS G1 - Conduct of Businesses, Section 1.2 Management of Relations with Suppliers, DP 14), provides the principles and guidelines for the definition of the process of debit cycle management by the Parent Company and the Group's subsidiaries and suppliers.

ESG Policy

[S2-1 DP 16]

Through the implementation of the ESG Policy (see 2.2 ESRS E1 - Climate Change, Section 2.2.2 Energy, Adaptation and Mitigation of Climate Change, DP 25), the Group considers occupational safety, health protection and well-being of its staff, suppliers, all collaborators, customers, third parties and the various stakeholders involved in its business to be priority and non-negotiable objectives.

To this end, the Group aims to meet appropriate safety requirements and ensure a safe, healthy and inclusive working environment as well as to pursue a policy of continuous improvement of its performance for the safety and health protection of all. Furthermore, it promotes a workplace free of all kinds of discrimination and to apply the values of transparency, inclusion and equal opportunities at every stage of the recruitment, selection, hiring, promotion and remuneration process. Finally, the Group condemns any kind of harassment, abuse or intimidation as well as any form of forced or child labour.

[S2-1 DP 17,a,b,c]

As made explicit in the ESG Policy, the Group considers respect for universally recognised human rights to be an essential requirement in its sustainability strategy, and therefore protects and promotes these rights in the conduct of its business and in its relations with its employees and other stakeholders. Believing that the adoption of responsible purchasing policies promotes sustainable economic development that protects the environment and respects human rights, the Group attributes a key role to suppliers in the sustainability journey and believes that transparent partnerships can generate mutual value. To this end, the Group shares its commitment to the protection of human rights through the ESG Policy, available on the Bank's official website. This document allows external stakeholders, including suppliers, to report any negative impacts or non-compliant behaviour.

In addition, the Group recognises the importance of promoting sustainable behaviour throughout the value chain and has embarked on a journey to integrate ESG considerations in the evaluation of counterparties, including social and human rights aspects.

[S2-1 DP 19]

In implementing its banking activities and organisation from an ESG perspective, the Bank takes into account various regulations and third-party initiatives such as, as regulated in the ESG Policy, the UN Universal Declaration of Human Rights and Agenda 2030, the UN Global Compact and Directive (EU) 2022/2464.

During the reporting period, the Bank received no reports of violations of international principles, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Conventions and the OECD Guidelines. Furthermore, no incidents of human rights violations were found along the upstream value chain[42].

Actions

[S2-4 DP 32a]

The Banca Ifis Group recognises its responsibility to understand and address the impacts that its activities may generate along the supply chain, in particular on the workers of key suppliers of capital goods.

[S2-4 DP 33b]

The Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 are the main internal regulatory tools used to monitor and supervise the ethical-behavioural standards of business partners, ensuring that all parties involved respect the principles of sustainability, fairness and human rights. In particular, in order to intervene promptly and prevent possible negative impacts, Banca Ifis requires its suppliers to read the Code of Ethics in order to establish and maintain business relations in line with the values subscribed to by the Group.

[S2-4 DP 33c]

Compliance with the Code of Ethics and the selection criteria is monitored periodically, ensuring the correct application and effectiveness of Banca Ifis's commitment throughout the entire supply chain.

Finally, in order to ensure the welfare and protection of its suppliers' workers, the company adopts strict eligibility criteria during the selection phase, including verification of compliance with the DURC (Consolidated Document Attesting to Compliance with the Payment of Social Security and Welfare Contributions) and DURF (Consolidated Document Attesting to Compliance with the Payment of Tax), ensuring that suppliers comply with their contribution, insurance and tax obligations under current legislation.

[S2-4 DP 32d,33c]

Banca Ifis monitors and evaluates the effectiveness of the above-mentioned action by ensuring compliance with the minimum requirements for active suppliers. This process takes place through periodic checks, carried out every twelve months, which include, for example, the verification of the regularity of DURCs (Consolidated Documents Attesting to Compliance with the Payment of Social Security and Welfare Contributions). It should be

42 The analyses conducted by Banca Ifis with regard to workers in the value chain focused mainly on the supplier base.

noted that all of the suppliers subjected to these checks[43] were found to be in line with the selection requirements and no non-compliances were reported.

Reflecting Banca Ifis's commitment to building an integrated and sustainable ecosystem, the Bank has set itself the goal of evolving the training processes of the Ifis Academy through an innovative path, in order not to limit itself to the internal training of Group employees, but to address in a holistic and inclusive way all the main external stakeholders with whom the Bank interacts.

Ifis Academy Evolution project

[S2-4 DP 31 MDR-A]

In particular, the Banca Ifis Group has launched an initiative specifically aimed at its value chain through the 'Ifis Academy Evolution project'. The initiative aims to expand the Banca Ifis Group's training offering, extending it not only to internal employees, but also to external stakeholders, including customers (Npl debtors, SMEs and leasing and rental operators) and suppliers[44]. The main focus of the project is on training in ESG and cybersecurity, areas that could have a positive impact on strengthening the skills of stakeholders and developing a culture of sustainability. The project will be implemented in collaboration with Digit'Ed, a leading partner in the development of training programmes and infrastructures, to adopt a platform accessible to external stakeholders.

[S2-4 DP 34a]

In addition, the Group, in order to mitigate the risks arising from the presence along the value chain of business relationships with entities that do not adopt adequate measures on working conditions and equal treatment and opportunities for all, has adopted a series of actions and safeguards, as detailed below.

[S2-4 DP 31 MDR-A]

With regard to suppliers, the following actions and controls are noted:

- analysis of supplier administrative, organisational, capital[45] and reputational aspects;
- analysis of ICT and data security aspects;
- definition of appropriate contractual standards in order to mitigate identified risks (e.g. prohibitions against subcontracting in certain conditions);
- ongoing analysis of the service levels provided by the supplier, in the light of what is guaranteed in the contract;
- definition of an exit strategy if it becomes necessary to suspend the relationship with the supplier;
- second level Operational Risk controls on outsourced functions, ICT third parties;
- Group Expenditure Cycle Management Policy;
- Policy for the outsourcing of business functions;.

43 It should be noted that the checks relate exclusively to suppliers subject to the expenditure cycle procedure.

44 This training will be delivered to the Group’s most significant suppliers.

45 The analysis of asset profiles is limited to the cases defined in the Expenditure Cycle Policy.

Sustainable Procurement project

[S2-4 DP 34b]

At the same time, with a view to pursuing the opportunity to promote collaborations with suppliers and business partners with a better sustainability profile, the Banca Ifis Group has started a 'Sustainable Procurement' path.

[S2-4 DP 31 MDR-A]

This initiative aims to generate a positive impact by improving the ESG performance of the suppliers themselves and, prospectively, by adopting selection criteria that consider social and environmental aspects. Since January 2025, the Group has been collecting information on sustainability issues from its most relevant suppliers[46]by administering an ESG questionnaire, in cooperation with the Consortium ABC platform, and integrating this information into the Jaegger supplier management portal.

[S2-4 DP 33c]

This mapping is aimed at assigning a sustainability profile to suppliers and the findings will support Banca Ifis in outlining the most appropriate intervention approach towards its supply chain. The analysis will, for instance, help to outline the most suitable and effective actions to support suppliers in their sustainable transition path, mitigating any negative impacts.

[S2-4 DP 35]

In order to prevent any negative impacts arising from the activities of the Bank or its workforce, the Code of Ethics provides for the use of the Whistleblowing system as an internal reporting tool (see 4.1 ESRS G1 - Business Conduct, section 4.1.4 Corporate Culture and Protection of Whistleblowers, DP 10c).

Banca Ifis, in its capacity as parent company, has implemented this mechanism that allows for the reporting of conduct, actions or omissions, attributable to members of the corporate organisation, that violate national or European Union regulations and that may compromise the public interest or the integrity of the Bank and its subsidiaries.

Reports can be submitted through several autonomous and independent channels, including a dedicated application, a voice messaging system, the postal service or a direct meeting with the Head of Internal Audit.

[S2-4 DP 36]

In line with the attention shown by the Group, no human rights incidents related to the upstream and downstream value chain for suppliers subject to the Expenditure Cycle Policy were detected by the Procurement & Cost Management Department during the year.

[S2-4 DP 38]

The Procurement & Cost Management Department of Banca Ifis, in addition to dealing with the day-to-day management of suppliers, plays a key role in controlling and monitoring compliance with minimum requirements, with the aim of selecting suppliers who adhere to the Group's principles and values. This activity ensures compliance with established criteria and national standards and promotes an ongoing focus on a responsible supply chain[47].

46 It should be noted that the sample taken under analysis corresponds to suppliers with individual commitments of more than 100 thousand Euro per year.

47 It should be noted that the Procurement & Cost Management Department carries out its controls taking into account the exclusions provided for in the relevant internal regulations.

[S2-4 DP 33a]

Furthermore, with the aim of taking effective action and producing positive impacts along its supply chain, Banca Ifis carries out an in-depth analysis of the external context, examining industry best practices, and conducts detailed analysis and mapping of its suppliers. Finally, it periodically monitors and maintains a constant dialogue with suppliers to verify compliance with the criteria established for selection and collaboration, with particular attention to the protection of minimum requirements for workers within the supply chain.

3.2.2 Channels

[S2-3 DP 27a,b,c,d]

Since 2021, a contractual clause has been included in the Code of Ethics, which, in accordance with the relevant internal regulations, defines it as a binding document vis-à-vis each recipient and, in particular, suppliers. Violation of the Code of Ethics by the recipients constitutes, in the cases set forth in internal regulations, a breach of the contractual relationship between the Group and the recipient, and also gives the Group the right to demand termination or withdrawal from the contract for just cause if, in the unquestionable judgement of the Group, the violation committed is such as to undermine the relationship of trust or cause significant harm to the Group. The right of the Parent Company or its subsidiaries to claim damages remains unaffected.

In order to assess the effectiveness of the systems adopted, as described in Chapter G1 (see 4.1 ESRS G1 - Business Conduct, Section 4.1.1 Corporate Culture and Protection of Whistleblowers, DP 10), the Bank has a Whistleblowing system accessible to both internal and external stakeholders, including suppliers, to collect possible reports and take the necessary measures in the event of non-compliance. Note that in 2024, no reports were received from workers belonging to the supply chain.

[S2-3 DP 28]

In the various relationships with suppliers, this clause has been introduced into contractual texts wherever possible. In addition, also when formalising contracts or supply agreements, in accordance with the indications of internal regulations, the Group also requires the acknowledgement and acceptance of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.

3.2.3 Targets

[ESRS 2 DP 72,81 MDR-T]

[S2-5 DP 41,42a,b,c]

Banca Ifis has recently launched a series of projects with the aim of raising awareness and further engaging suppliers, in the context of a strategic path aimed at improving ESG performance. These initiatives aim to promote responsible and sustainable practices by integrating environmental, social and governance principles into the Group's daily operations. The 'Sustainable Procurement' project is the starting point for collecting structured information on suppliers and assessing their positioning in terms of sustainability. Based on the evidence, the Group will consider formalising quantitative targets, ensuring a conscious approach to supply chain management. However, in the absence of predefined objectives, no direct involvement and interaction with workers in the value chain was undertaken.

3.3 S3 – Affected communities

Material impacts, risks and opportunities

[S3.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Communities' economic, social and cultural rights / Communities' civil and political rights				
Contribution to the spread of civil and political rights related to freedom of expression and assembly that has a positive impact (e.g. on human rights defenders) on affected communities	Actual positive impact	Value chain	Medium-term	• ESG Policy • Group Code of Ethics
Socio-economic development of the communities through support initiatives, collaborations with third parties, donations and/or sponsorships	Actual positive impact	Value chain	Medium-term	
Promoting initiatives that support the development of the territories and communities involved	Opportunity	Value chain	Medium-term	
Partnering with local organisations, industry and professional associations and community groups to create sustainable and impactful programmes	Opportunity	Value chain	Medium-term	
Increasing market share by expanding the offer of products with a positive social impact, such as those related to the third sector	Opportunity	Value chain	Medium-term	

[S3.SBM-3 DP 8a]

The communities in which Banca Ifis operates and the impacts related to them play a fundamental role within the Bank's strategy: within the 2022-2024 D.O.E.S. Business Plan, in the 'S' pillar of Sustainable, there is a specific objective dedicated to the creation of the Kaleidos Social Impact Lab, thanks to which projects and initiatives have been developed that generate a high added value on the community and territories and that promote social inclusion, diversity, personal well-being and culture. The correlation between the Group's strategy in this area and the material impacts identified with reference to the communities concerned is tangible: their socio-economic development through support initiatives, collaborations with third-party entities, donations and/or sponsorships, and the dissemination of civil and political rights related to freedom of expression and assembly are elements underpinning the Bank's Social Impact Lab and guide the Group's strategy and business model. Confirming the centrality of these issues in the Group's strategy, it is specified that they will also constitute a key element for Banca Ifis's future Business Plan to be presented to the market.

[S3.SBM-3 DP 9]

All affected communities that may be materially impacted by the company, including impacts directly related to the company's own operations and value chain, are included in the scope of the disclosure and have in fact been covered in the double materiality assessment.

[S3.SBM-3 DP 9a]

The type of community subject to significant impacts by the company, both due to its own operations and its upstream and downstream value chain, is the community residing in the territories it belongs to, where the Group pays particular attention to strengthening relations with territories and stakeholders at regional and national level.

[S3.SBM-3 DP 9ai-iv]

Communities along the company's value chain are subject to significant impacts related to the Group's activities.

[S3.SBM-3 DP 9c]

Through its Social Impact Lab Kaleidos, established in 2022 at the behest of Chairman Ernesto Fürstenberg Fassio, the Group develops high social impact initiatives in the areas of inclusive communities, culture and territory, and personal well-being. Thanks to Kaleidos, several initiatives that work synergistically towards a common goal are pursued: to provide society with the tools to help build a more inclusive and sustainable future.

[S3.SBM-3 DP 10]

The constant dialogue with communities and the impact assessment that the Bank carries out as part of Kaleidos make it possible to identify, measure and monitor the impact generated by the Banca Ifis Group's strategic initiatives in the area of social responsibility and to identify the effects of these activities on the various communities affected and on the Group's stakeholders.

The Group participates in the social life of the territory constructing a relationship of continuous dialogue with people and institutions, pursuing projects that can contribute to the development of more inclusive and collaborative communities[48], in which diversity is a value and culture a tool for sustainable growth, according to the direction indicated by the Group's social agenda.

Banca Ifis also pays special attention to the local communities most exposed to potential risks, with the aim of integrating these perspectives into its sustainability strategies.

[S3.SBM-3 DP 8b]

In addition to impacts, material strategic opportunities are also closely linked to the corporate strategy as they are perfectly aligned with Kaleidos's mission: the promotion of new initiatives to support territories and communities, the creation of partnerships with local organisations, industrial and professional associations, and collaboration with community groups enable the creation of social value.

[S3.SBM-3 DP 9d]

The double materiality assessment has not revealed any material risks on communities, rather only strategic opportunities such as the promotion of new initiatives that support the development of the territories and communities involved, the increase of market share through the expansion of the offer of products with a positive social impact, such as those related to the third sector, and the creation of new partnerships to foster sustainable programmes with a positive impact. These opportunities are reflected within the broader context of Kaleidos and

48 Collective and collaborative growth refers to a development path based on diversity enhancement and social re-inclusion projects.

have the common aim of forming synergies with local institutions, in order to disseminate and promote an ongoing dialogue with the communities and provide support and promotion to the various social and cultural initiatives.

[S3.SBM-3 DP 11]

The projects developed within the Social Impact Lab are carried out in collaboration with non-profit organisations and local or national associations. The material impacts and opportunities realised through Kaleidos positively and transversally affect different groups of beneficiaries such as: fragile individuals, people in socio-economic difficulties, young people, students, artists and athletes, all located locally and nationally.

3.3.1 Commitment to affected communities

Approach and reference policies

Social topics are central to the Banca Ifis Group's sustainability strategy, which is not only committed to respecting the rights of the local communities concerned, but seeks to create a positive impact on the people, communities and territories in which it operates. Partly thanks to the creation of Kaleidos, the Group plays an active role in developing the communities in which it operates, paying particularly close attention to strengthening the relationship with the territories and stakeholders on a local and national level. In order to ensure adequate governance of social topics, a series of Policies and Procedures have been defined that govern the Group's activities, including the Code of Ethics and the ESG Policy.

ESG Policy and the Code of Ethics

[S3-1 DP 14]

The Group's attention to the communities and territories in which it operates are included and formalised within two pivotal documents of the Group's regulatory framework: the Code of Ethics (see 4.1 ESRS G1 - Business Conduct, section 1.1 Corporate Culture and Whistleblower Protection, DP 7 MDR-P) and the ESG Policy (see 2.2 ESRS E1 - Climate Change, section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 25). The first aims to outline the set of principles, values, rights, duties and responsibilities assumed towards all stakeholders; the second aims to define the Group's sustainability guidelines and encourage the integration of ESG considerations into the Group's activities.

With specific reference to social aspects, within these policies the Group is committed to playing an active role in the development and promotion of the communities and territories in which it operates, through initiatives ranging from participation in national projects to support for national and local non-profit organisations and entities to solidarity and social inclusion programmes, as well as training and research. Furthermore, the Group recognises the role of the non-profit sector for the fair and cohesive development of the community, developing partnerships with operators of proven experience and solid reputation for the realisation of initiatives in favour of disadvantaged categories, and supporting the needs of the community through donations and sponsorships consistent with the reference values and social objectives they intend to support.

In addition, the Group pays special attention to projects supporting medical and scientific research, child protection, the social reintegration of people in difficulty and the enhancement of artistic and cultural heritage. Lastly, the Group also supports a series of events and projects linked to the world of amateur and professional sport, both at national and local level, aimed at promoting in the community, and especially among young people, the values of sport, an expression of good educational practices and a vehicle of well-being and growth for society and organisations.

Donations, in particular, must, in any case, be made transparently and in full compliance with applicable laws and regulations. All payments made for sponsoring or charitable donations must be recorded accurately and in full and entered in the books and records by the relevant organisational units.

[S3-1 DP 17]

The Group's activities and policies in the field of sustainability are inspired by the main national and international initiatives and regulations such as the United Nations 2030 Agenda, the UN Global Compact and the Universal Declaration of Human Rights. The Group also reports on its commitment to sustainability according to the main applicable standards and regulations.

[S3-1 DP 16]

The ESG Policy enshrines, among other aspects, the Group's commitment to the protection of human rights in accordance with the highest international standards, including the United Nations Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights. As made explicit in the Policy, the Group considers respect for universally recognised human rights to be an essential requirement in its sustainability strategy, and therefore protects and promotes these rights in the conduct of its business and in its relations with the local communities.

Banca Ifis promotes a constant and collaborative dialogue with all communities. In particular, the Group collaborates with local institutions to enhance business culture and through dedicated reports, studies and projects, and aims to strengthen community development. An active development and promotional role that also manifests itself in supporting national and local non-profit organisations and initiatives of social solidarity, in order to create a positive impact on communities and the environment.

Actions

[S3-4 DP 32c]

Within the Kaleidos Inclusive Communities area, Banca Ifis supports projects that enhance diversity and address social inclusion. This area includes all initiatives and projects that aim to promote an inclusive culture, to fight all kinds of discrimination and to foster, through concrete actions, gender equality and diversity in all its forms. These actions contribute to the dissemination of the positive impacts identified by the Group and, at the same time, enable the pursuit of the various mapped material opportunities.

In 2024, the main initiatives promoted are highlighted:

- in promoting gender equality in STEM subjects through:
  - the Summer STEM Academy, the summer campus on STEM disciplines and diversity and inclusion organised by the Alumni Association of the Galileiana School of Padua;
  - joining Women4Cyber Italia, the programme that encourages the improvement of women's skills and interest in cyber topics;
- promoting the social inclusion of the most vulnerable and youth empowerment, through:
  - the partnership with Banco Alimentare Onlus Foundation, which supports people in socio-economic difficulties by distributing meals and foodstuffs;
  - collaboration with the Cooperativa Sociale Articolo 3, which operates within the Bollate Prison to facilitate dialogue between inmates and outside society;
  - support for the YOLK Association, which enabled the creation of a free summer camp in Rome, which promotes educational and recreational-sports activities for children from socio-economically disadvantaged backgrounds;
  - collaboration with the Don Gino Rigoldi Foundation, through which the bank supports families and young people who find themselves on the edges of society;
  - partnership with the SOS Bambini Association and support for the 'Adopt a Family' project, through which the Group helps single-parent and single-income families;
  - support for the Missione e Solidarietà Association and the Community of Sant'Egidio, launched in 2024, which supports those most in need and on the margins of society with concrete help, as well as support for the San Patrignano Community, which offers help to people with addictions,

and for the Anfass association in Treviso, which seeks to foster the rights of people with intellectual and relational disabilities and their families.

At the same time, within the Kaleidos Personal Well-being area, Banca Ifis has set up partnerships with local organisations to create programmes to raise people's awareness of the importance of prevention and to facilitate its spread, promote psychological-physical well-being in all its facets and support scientific research. The initiatives listed below also make it possible to pursue the material positive impacts and enhance the opportunities identified by the double materiality assessment.

In this area, as described in more detail below, the partnership with the Bambino Gesù Children's Hospital and the Heal Foundation continued, through support for the Taxi Solidale project, and in 2024 the Bank supported the Foundation for Advanced Biomedical Research in its operational arm the Veneto Institute of Molecular Medicine - VIMM, which represents national and international excellence for research in cellular and molecular biology.

In the firm belief that sport also contributes to people's mental and physical well-being, the Group:

- contributed to the organisation of the 40th edition of the Torneo Ravano (now Coppa Mantovani) in the city of Genoa, the tournament reserved for young primary school students in the Ligurian region;
- supported the second edition of the solidarity padel tournament organised by the CAF Association in favour of abused minors and donated scholarships to young players of the youth team U.C. Sampdoria;
- confirmed the partnership with the amateur sports association (ASD) Wheelchair Sport Firenze - Volpi Rosse and started supporting the Italian Federation of Sport for the Hearing-Impaired, in order to promote inclusion through sport;
- started a collaboration with CalcioAS Luiss in order to promote the world of sport and business by focusing on the values of ethics, excellence and personal growth.

The Bank's commitment to the world of sport has been enriched by the creation and publication of the Observatory on the Italian Sport System, a tool that photographs the value of sport and its contribution to the country's development, available to operators in the sporting and production sectors and to policy-makers. The Observatory analyses the state of health, trends and scenarios of Italian sport, acting as a measurement and evaluation tool for all stakeholders concerned.

In order to increasingly integrate sustainability topics into its business activities, the Group has defined a strategy to further expand its ESG product offering, also in line with the values promoted by Kaleidos. In 2024, Banca Ifis published its first Social Bond Framework: a fundamental step that increases transparency with respect to the assets financed by the Group and strengthens the relationship with long-term investors and other stakeholders. In particular, the Framework will support the Group's sustainability strategy and is an integral part of Banca Ifis's ambition to deliver a positive impact through its banking activities by directing capital flows towards a sustainable economy. In line with the Group's social commitments and objectives, the framework aims to define clear rules for identifying eligible activities to be financed through the issuance of a social bond. The Social Bond Framework is an opportunity for Banca Ifis to position itself in the sustainable finance market in order to attract dedicated funding for loans and investments with a positive social impact, according to the Group's funding plan. For Banca Ifis, it is a way to create internal synergies between the sustainability and treasury functions, and to put sustainability issues at the centre of discussions with investors.

Thanks to the initiatives promoted during 2024 as part of Kaleidos, the Group continued to generate a social impact on people, communities and the territory. The initiatives supported in the three-year period 2022-2024 saw a Group commitment to invest 7 million Euro in social initiatives.

[S3-4 DP 32d]

In order to support the innovative action of Kaleidos and to create an ever greater positive impact, a tool was developed to guide the action of the Social Impact Lab in an increasingly structured manner: the Social Impact Measurement Model. This model, developed by the Strategic Marketing & Research Function of Banca Ifis in partnership with Triadi, a spin-off of the Polytechnic University of Milan led by Prof. Mario Calderini, is able to identify, measure and monitor the impact generated by the Group's social initiatives and makes it possible to:

- translate the "S" (social) dimension into a concrete set of values;
- make their actions measurable, guarding against the risks of socialwashing and greenwashing;
- select projects where we the impact can be maximised taking a purpose-driven approach.

In the course of 2024, the application of the impact measurement model was extended and can now be said to be fully implemented for the entirety of Kaleidos's relevant activities. In particular, 38 projects were measured (and measurable), which together generated a social value of 12,1 million Euro. The average multiplier (i.e. the ratio between the value generated and Banca Ifis's financing) was 5,1, meaning that 1 Euro invested turned into an average of more than 5 Euro of economic value for the community. This analysis revealed that projects in marginalised contexts and/or projects with impacts on multiple dimensions generate high social value and consequently have high average individual multipliers. In 2024, the impact measurement was also extended to the projects that are part of Ifis art, making it possible to measure the social value generated by the first year of the opening of the International Sculpture Park and the study days associated with it.

In addition to the initiatives described above, the Group, through projects that foster dialogue and discussion in the community, generates a positive impact that promotes the spread of civil and political rights related to freedom of expression. Among the most important initiatives is the support for the Fratelli tutti Foundation, established by Pope Francis in 2021, which promotes fraternity and social friendship through specific pathways, training activities and the promotion of intercultural dialogue through dedicated events and cycles of meetings. Also with a view to giving young people a voice and stimulating generational exchange, the Group supported the international edition of the 'Parola ai giovani - Manifesto for change' project promoted by singer-songwriter Giovanni Caccamo. This included a programme of activities throughout 2024, including the launch of the international appeal on 'Change the world' day at the United Nations and several symposia and round tables at international universities. Finally, the Bank took part in the Business Ethics Summit, the first international event involving relevant Italian and international stakeholders in a debate on ethics applied to business through the comparison and analysis of best practices and case studies.

[S3-4 DP 31 MDR-A]

Kaleidos supports collective and collaborative growth through projects for the enhancement of diversity and social re-inclusion, the well-being and care of people by raising community awareness of the importance of health and scientific research, and aims at a model of social innovation that leverages beauty as an opportunity for the development of territories, with a focus on young talents and enterprises.

The most significant projects developed by Kaleidos include the support for the Bambino Gesù Children's Hospital, which has continued since 2022 and was further strengthened in 2024. On the one hand, the Bank has agreed to donate three million Euro for research into innovative new therapies for malignant tumours of the central nervous system affecting children and young adults. Tumours of the central nervous system today represent the most frequent solid tumours in childhood and account for 20-25% of tumours affecting children. It is estimated that around 1.500 children between the ages of 0 and 15 years and around 800 adolescents in Italy fall ill with cancer every year: of these, around 400 suffer from tumours of the central nervous system. The donation made by Banca Ifis will support a trial at the Children’s Hospital of the Holy See, aiming to assess the safety and efficacy of gene therapy with CAR T cells on patients with relapses or not responding to other currently available treatments. The study is expected to enrol 54 patients aged between 6 months and 30 years with tumours that have recurred or are not responding to conventional therapies. The trial with CAR T cells in patients with malignant tumours of the central nervous system started in December 2023 upon completion of the authorisation process by the national regulatory agency AIFA, and since the start of the study to date, 11 patients have been enrolled, divided into three treatment cohorts according to histological subtype and disease location. One year into the trial, preliminary results document the tolerability of the treatment.

In addition to the partnership with the Bambino Gesù Children's Hospital, the long-term collaboration with the Italian National Olympic Committee - CONI is also underlined. For fourth consecutive year, Banca Ifis supported young Italian CONI junior medal-winners through the provision of scholarships. For the first time in 2024, scholarships - which cannot be awarded to those who have won them in previous editions - were also distributed to the medallists of the Gangwon 2024 Winter Youth Olympic Games. The project, realised to support the future of young Italian talents, is part of the broader promotion of sport, which for Banca Ifis represents a tool for social inclusion and a vehicle of the Group's values. The Bank applied its impact measurement model to the initiative, to quantify, through objective criteria, the social value generated by the scholarships on the lives of young athletes and the communities in which they live. In particular, the Banca Ifis analysis found that its contribution, which enabled the disbursement of 116 scholarships to the Italian junior medal-winners in 2023, had an impact multiplier of 4,1. This means that every 1 Euro of donated contribution turns into more than 4 Euro of social value created. This is a sharp increase over the scholarships awarded to the 2022 junior medallists, whose contribution had generated an impact multiplier of 3,3. The continuity of support over time has also resulted in an increased level of appreciation by young athletes towards the scholarships provided by Banca Ifis. In particular, analysis of the project's social impact measurement showed personal benefits certified by increased self-esteem and greater professional growth. This measurement will also be carried out during 2025, with reference to the 2024 support, which led to the provision of scholarships to young medal winners at junior championships during the year in sports and/or Olympic disciplines.

Also during the year, the Bank continued its support for another initiative resulting from a long-standing partnership: the Solidarity Taxi project promoted by the Heal Foundation. The initiative consists of offering a free transport and accompaniment service to children and cancer patients in specialised centres where they need treatment and therapies. Thanks in part to the financial support of Banca Ifis, which has been present since 2021, the initiative has gradually expanded to the entire Lazio region and now covers 20 hospitals in the region, as well as being present in Lombardy. Over the years, the solidarity transport activity has saved over 600.000 km for patients and families supported and accompanied in their care. In addition, the project also produces significant benefits on the work-life balance of family members in following the oncological care of their loved ones, as well as the important psychological support offered at such a critical time in the lives of patients and family members.

In 2024, the Bank took a further step in promoting the value of the project promoted together with the Heal Foundation: analysing the initiative with its impact measurement model, Banca Ifis calculated an impact multiplier of 5,8. This means that every Euro donated to the project translates into almost 6 Euro of social value generated. The result took into account the various positive benefits and impacts created by the project, such as the value of the working days not lost by the families of the young patients, the quantification of the expenditure saved thanks to the transport provided, and the monetary valuation of the well-being generated by the organisational and emotional support to families struggling with their children's cancer illness.

On the artistic-cultural front, April 2024 saw the Group launch 'Ifis art', the project desired and devised by Chairman Ernesto Fürstenberg Fassio that brings together all the initiatives to promote art, culture, contemporary creativity and their values. It is an articulated and unprecedented project that focuses on digital, to make art accessible also through innovative and alternative methods, the development of public-private partnerships, to support territories and communities, support the younger generation in their growth path and foster social inclusion through art. The project finds its highest expression in the International Sculpture Park, opened to the public in spring 2024 and already an international case history in corporate collection and cultural and social responsibility.

The Park, housed within the more than 22 hectares of garden surrounding the 16th-century Villa Fürstenberg, the Group's historic headquarters, is a permanent exhibition dedicated to contemporary art in which works of art by great masters of contemporary sculpture, both Italian and international, are displayed, blending in with the surrounding environment. One of the pillars on which the Park was conceived is inclusiveness, both in access, which is free of charge, and in the signs, design and material choices, guided by the principles of respect for the exhibits and harmonious integration with the surrounding nature. To make the visiting experience digital and innovative, the Ifis art app has been developed, which allows visitors to book their own access time, to participate in scheduled events, but also to listen to or read the guide created especially for 'walking in beauty'. In the same spirit of disseminating culture, a guide dedicated to younger people has been designed with simplified texts and fun, appealing language.

The broader Ifis art project also includes other major initiatives that support, enhance and protect Italy's artistic and cultural heritage. One important example is the redevelopment project of Palazzo San Pantalon in Venice and the restoration of the work placed on its façade, 'The Migrant Child', one of only two recognised by Banksy in Italy. The support of exhibitions, fairs, events and artistic-cultural events is another important element within Ifis art. Banca Ifis, in fact, supported for the fourth consecutive year La Biennale di Venezia through the sponsorship of the Italian Pavilion and by hosting the first event of the public programme of the event. For the second year running, the Bank was also the main sponsor of the Arte in Nuvola contemporary art fair, where it created a unique exhibition space dedicated to the twelve unpublished busts of the artist Antonio Canova, purchased and restored in 2023.

In 2024, Banca Ifis joined 'Patto per Brera', a philanthropic initiative that includes supporting the 'Grande Brera' project, aimed at doubling the Pinacoteca's exhibition spaces, opening Palazzo Citterio to the public, and other initiatives aimed at growing the museum complex. Banca Ifis also supported the agreement between the National Modern and Contemporary Art Gallery in Rome and the Brera Art Gallery, supporting the partnership through a major exhibition dedicated to the artist Mario Ceroli, part of whose collection it purchased in order to preserve the legacy of one of the greatest contemporary artists. In addition to this, there are youth empowerment activities through art projects and meetings with artists, workshops also dedicated to employees within the International Sculpture Park, study days on topics related to art and culture organised in cooperation with the Directorate General for Contemporary Creativity - Ministry of Culture, and appointments dedicated to Made in Italy and the enhancement of sectors that support the Italian economy.

[S3-4 DP 38]

The Communication, Marketing, Public Affairs & Sustainability Department, in particular through the Brand, Corporate Communications & Sustainability organisational unit (which has two FTEs dedicated entirely to sustainability activities), supports the Sustainability Committee in defining the Non-Profit strategy and ensures the management of donations and in support of organisations, non-profit bodies and operators with proven experience and solid reputation, in line with the defined ESG strategy and ensuring full compliance with the principles and rules of conduct set out in the Code of Ethics concerning transparency, compliance with the law, involvement and choice of beneficiaries.

[S3-4 DP 36]

During the year, no reports of significant human rights incidents in the communities concerned came to the attention of the Brand, Corporate Communications & Sustainability organisational unit.

[S3-4 DP 34b]

With reference to community-related areas, the Group has identified opportunities in relation to the promotion of initiatives that support the development of the territories and communities involved, including through collaborations to create sustainable and impactful programmes, and in relation to increasing its market share by expanding its offer of products with a positive social impact, such as those related to charity. In particular, in addition to the 'Ifis art' project mentioned above:

[S3-4 DP 31 MDR-A]

- the partnership with the Fondo Ambiente Italiano - FAI - has been renewed again this year, qualifying Banca Ifis as a Corporate Golden Donor member to preserve and promote artistic and cultural heritage in Italy
- the Bank is the main sponsor of the Manifesto for Change project promoted by singer-songwriter Giovanni Caccamo, which encourages young people to meet at an international level. Several Observatories dedicated to specific production chains or particular sectors of the Italian economy are prepared and published in this context
- the fifth edition of the “Economia della Bellezza” market watch was published in 2024, a project born in 2021 as a platform for business culture dedicated to stakeholders interested in enhancing Beauty as a distinctive factor, and aimed at measuring, year after year, the contribution of Beauty to the overall development of the Italian economy. In particular, the Observatory tells how the Beauty sector manages to generate wealth through the deep link between our country's traditions and the way of doing business, analysing the trends and scenarios of the sector as a whole. In this latest edition of the study, the

innovative approach adopted by art and culture companies emerged as a means of stimulating the development of wealth and skills in the core business.

3.3.2 Engagement processes

[S3-2 DP 21]

Each social initiative follows a specific evaluation process that includes, after an initial phase of listening to the communities and collecting their needs and requests for support, an activity to verify the consistency of the initiative with the values promoted by the company (conducted by the Communications, Marketing, Public Affairs & Sustainability Department). Each initiative is presented to and approved by the Sustainability Committee, which decides independently within the budget defined at Group level.

[S3-2 DP 22]

Particular attention is paid to the needs of affected communities that may be considered more vulnerable and are in situations of greater hardship, with whom medium- to long-term partnerships are promoted that foster a more inclusive culture and have been shown to be the most significant in terms of the social value generated, as better described in the section on impact measurement.

3.3.3 Targets

[ESRS 2 DP 72,81 MDR-T]

[S3-5 DP 41,42a,b,c]

As part of the 2022-2024 Business Plan, the Group has defined concrete actions to develop its sustainability positioning. The launch of Kaleidos, with a budget of six million Euro, later increased thanks to a donation to the Banco Alimentare Onlus Foundation up to seven million Euro in the arch plan, made it possible to promote high social impact projects for culture, health and the territory for the benefit of all stakeholders.

The Sustainability Committee, a managerial committee chaired by President Ernesto Fürstenberg Fassio, was also set up to strategically address the material impacts, risks and opportunities relating to the affected communities.

The commitment in these areas will finally be further strengthened in the future Business Plan to be presented to the market.

3.4 S4 – Consumers and end-users

Material impacts, risks and opportunities

[S4.SBM-3 DP 9a]

Banca Ifis has developed a strategy oriented towards consumer satisfaction, integrating their needs with sustainability, innovation and transparency objectives. The Bank's business model responds to customer needs, addressing risks and maximising opportunities from consumer dependencies.

The focus on customers takes the form of initiatives such as ethical and sustainable debt collection, which aims at the financial re-inclusion of debtor customers, and the dissemination of products and services that support the sustainable transition of SMEs and financial inclusion. Furthermore, the Bank promotes transparent and secure communication, ensuring data protection through advanced IT systems. These areas are an integral part of the 2022-2024 Business Plan (D.O.E.S.) and will continue to be central in the future Business Plan.

[S4.SBM-3 DP 10,a,10ai-iv]

The material impacts identified involve the end users who consult the communication channels and use the products and services offered by the Bank, with specific reference to NPL debtor customers and business customers, especially SMEs. These categories could be negatively impacted in relation to their rights, including privacy, data protection, freedom of expression and the right to non-discrimination.

[S4.SBM-3 DP 10b]

Material adverse impacts have been identified as related to individual potential incidents because they are covered by safeguards and policies that prevent and protect against their adverse effects. They relate to unfair or deceptive practices towards customers also due to non-transparent and ineffective communication, limited access to products and services for certain categories of stakeholders, the creation of a digital divide due to the bank's digitisation processes, and the violation of privacy rights and data loss.

[S4.SBM-3 DP 10c]

The positive impacts are broadly reflected across the Bank's customer base, fostering an increase in customer satisfaction and improving the usability of the offer, through the adoption of digital platforms that optimise the user experience and make services more accessible, intuitive and efficient. The impact related to the financial re-inclusion of households and the development of an ethical and sustainable collection model relates to Npl clients, while the impacts related to the group's role in supporting businesses in sustainable transition and contributing to the creation of a culture of entrepreneurship are mainly addressed to SMEs.

[S4.SBM-3 DP 11]

The various customer-focused projects implemented by the Bank enabled it to understand the needs of different consumer groups. Furthermore, the various activities developed during 2024, described in the following paragraphs, made it possible to enhance the positive impacts created, strengthen safeguards and activities to counter any negative impacts, assess new opportunities and mitigate identified risks.

[S4.SBM-3 DP 9b]

The Bank is aware of consumer dependency risks, such as unfair commercial practices and reputational risk, as well as privacy and data processing risks. In addition, there are risks associated with limited access to favourable credit lines for certain categories of consumers due to the Group's strategic choices and positioning.

Opportunities arising from consumer dependencies include the introduction of innovative digital platforms, such as the Digital Selling Platform, which improve the customer experience and optimise sales and onboarding processes. Transparent communication and data protection are crucial for customer loyalty. Financial education is an opportunity to promote awareness among consumers, while strengthening credit access channels for SMEs will contribute to economic and entrepreneurial growth.

Banca Ifis has integrated the risks and opportunities arising from consumer dependencies into its business model, with a strong focus on sustainability, digitisation and data protection. These aspects are in perfect synergy with the Group's strategic topics, as highlighted in the 2022-2024 D.O.E.S. Business Plan, and guide the Bank's future choices. The proactive management of these risks and opportunities enables the Bank to respond to customer needs in a responsible, innovative and ethical manner, thus ensuring continued growth and a solid relationship with consumers.

[S4.SBM-3 DP 10d]

The material risks identified relate to reputational risks related to non-compliance with integrity, transparency and fairness disclosure requirements and unfair business practices, business risks related to non-competitive product offerings, and operational risks related to the loss of sensitive customer data. On the contrary, the opportunities identified, with a medium-term time horizon, are related to improving customer relations, strengthening IT systems and implementing digital/innovative solutions, products and services.

[S4.SBM-3 DP 12]

Finally, the identification of risks and opportunities impacts the totality of customers who use the products and services offered by the Bank and have a relationship with it, including SMEs, without specific subdivisions, thus meeting the need to consider all the needs and characteristics of this category of stakeholders.

3.4.1 Access to (quality) information

Group approach and policies

The Group recognises the development of digital innovation as one of the leading and priority actions for the implementation of its strategy. The main objectives include expanding the product offering through fully digital sales channels, improving the user experience for all types of customers and streamlining internal processes.

[S4.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Access to (quality) information				
Contribution to the creation of a digital divide for certain categories of disadvantaged users, due to the progressive digitalisation of Bank processes	Potential negative impact	Value chain	Medium-term	• ESG Policy • Organisational Procedure for the Transparency of banking and financial operations and services
Improved usability of the offer and user experience through digital platforms	Actual positive impact	Value chain	Medium-term	
Expanding market share and improving retention through the implementation of digital/innovative solutions, products and services	Opportunity	Value chain	Medium-term	

ESG Policy

[S4-1 DP 15]

In the Group's ESG Policy (see 2.2 ESRS E1 - Climate Change, Section 2.2.2 Energy, Adaptation and Mitigation of Climate Change, DP 25), the development and deployment of digital technologies are distinguished among the sustainable activities that reflect commitment to the three key pillars. This approach highlights how digital transformation is integrated into the Group's sustainable strategy, representing a key element.

Organisational Procedure for the Transparency of banking and financial operations and services

[S4-1 DP 15 MDR-P]

In addition, each Group company that offers a catalogue of banking products and services has adopted a specific organisational procedure to ensure compliance with current regulations on the transparency of banking operations and services. This procedure identifies the main regulatory requirements and defines the operating methods by which each Group company fulfils these obligations.

The procedure, approved by the Co-General Manager Chief Operating Officer (COO), is applicable to all Banca Ifis Group companies offering banking products and services, as well as to all types of customers, including consumers, with whom the Group has dealings.

In a parallel fashion, the Compliance Department monitors the above-mentioned internal regulatory policies and instruments through ongoing checks and audits. These activities, planned according to the programme approved by the Board of Directors, aim to assess the effectiveness of the organisational measures prepared, proposed and implemented to manage the risk of non-compliance. The controls apply to all areas where this risk is present.

The outcomes of the audits, applied to all areas where this risk is present, are documented in reports shared with the relevant corporate structures, which are asked to provide feedback on the corrective actions identified and the timing of their implementation. The Compliance Department monitors this and regularly reports to corporate bodies through the Dashboard, as well as, if required, to the Bank of Italy and Consob (Italy's stock market watchdog).

Actions

For Banca Ifis, digitisation is a key strategic factor in the evolution and strengthening of its business and customer relations, enabling it to offer increasingly efficient, accessible and personalised services. Through the adoption of advanced technologies, the Bank is able to improve data management, optimise daily operations and respond more promptly to customers' needs. Digitisation not only enriches customer interaction, making transactions faster and safer and ensuring transparent and immediate communication, but also facilitates access to banking services, providing modern solutions that meet their expectations in an increasingly digital world.

[S4-4 DP 33b]

The Group sees innovation as a key opportunity to expand its market presence and consolidate customer loyalty. To this end, it invests in the development of cutting-edge digital solutions, products and services designed to adapt to a changing environment and meet the needs of an increasingly competitive market.

[S4-4 DP 31a,c]

At the same time, the Group pays great attention to the quality of its communication, adopting a clear, transparent and easily understandable approach to prevent and reduce any critical issues or dissatisfaction on the part of customers. At the same time, it aims to optimise the usability of its services and improve the user experience by developing intuitive and accessible digital platforms in line with customer expectations.

[S4-4 DP 34]

To ensure effective and comprehensible communications, the Bank uses the structures of Brand, Corporate Communications & Sustainability and Digital Innovation & Advertising. In order to fulfil regulatory transparency obligations, all customer communications are subject to validation by dedicated control structures such as Legal, Compliance and Privacy. In addition, to prevent ineffective communications, the sales network receives continuous, up-to-date training on the risks of miscommunication.

[S4-4 DP 33a]

Furthermore, the Banca Ifis Group strives to reduce the risk of losing market share, recognising the importance of offering competitive and innovative products in line with customers' expectations and constantly working to improve the quality and effectiveness of its services.

[S4-4 DP 30 MDR-A]

In line with the strategic directives of the D.O.E.S. Business Plan, which considers digitalisation a central factor in the Group's reputational and business growth, several significant projects were launched in 2024.

In particular, a development programme called Digital Selling Platform (DSP) was launched, aimed at optimising the sales and onboarding processes of companies. The initiative aims to create a single platform to centralise processes related to each type of service, either through sales channels intermediated by the sales network (internal or external) or directly (self-service). In 2025, the project will continue with the introduction of new products, consolidating the platform as multi-channel and multi-product and further enhancing the user experience, both for customers and for the Bank's internal operators.

In 2024, new solutions for on-line sales services were introduced, including e-commerce channels, self-service sales modes and on-line brokerage portals for salary-backed loans. These digital tools allow access to market segments that are difficult to reach through traditional physical intermediary channels, contributing to the expansion of Banca Ifis's presence in the market. Particular focus was given to improving application performance, with a focus on aspects that directly influence the customer experience.

At the same time, sales channels dedicated to private hire customers were strengthened through the integration of the Digital Onboarding Tool with the eCommerce of a major business partner. Another significant intervention concerned the restyling of the Rendimax reserved area, which was completed in November 2024, with the aim of expanding the functionality available for current and deposit accounts of private customers. This project aims to bring about a significant improvement in the user experience, including sustainability and accessibility-oriented interventions, to ensure a modern and inclusive experience of banking services.

In addition, the Group continued to strengthen and evolve the digitalisation path undertaken in the previous year with the aim of increasing the efficiency of internal processes and services for customers, be they businesses or private individuals. Significant investments have been made to enhance the security of the entire IT system, ensuring robust and secure applications that provide high standards of protection and security for customers.

[S4-4 DP 32a,b,c]

At the same time, the Group is committed to implement several initiatives, both internal and external, to foster digital inclusion, promote innovation and close any digital gaps that might emerge for certain categories of disadvantaged users. Particular attention is paid to initiatives to raise awareness and promote gender equality in STEM disciplines (see 3.3 ESRS S3 - Affected Communities, section 3.3.1 Commitment to Affected Communities, DP 32c).

[S4-4 DP 31d]

In order to verify the effectiveness of the implemented projects, the Bank has implemented a quarterly monitoring system in which the KPIs identified for the analysis of the respective initiatives are monitored. This approach is aimed at analysing and resolving any anomalies, with the aim of identifying areas for improvement and ensuring increasingly reliable and high-performance portals.

3.4.2 Privacy

Group approach and policies

The growing spread of ICT products and services based on processing personal data has made privacy and information security more and more strategic for companies over the years. In this context, the Banca Ifis Group considers the protection of personal data to be an indispensable value in consolidating customer trust and protecting its reputation, and is strongly focussed on the prevention and rapid management of IT incidents in order to protect its information assets.

[S4.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Privacy				
Violation of customers' right to privacy resulting from inadequate management systems or ineffective application of procedures and preventive actions with consequent data loss	Potential negative impact	Value chain	Medium-term	• ESG Policy • Privacy regulatory manual
Risk of operational losses due to unauthorised access to customer data (Data Breach) by Banca Ifis in-house staff for personal gain	Risk	Value chain	Medium-term	
Building a long-term relationship with customers through a robust and secure IT system	Opportunity	Value chain	Medium-term	
Improving customer loyalty by optimising corporate assets in terms of privacy and data security and quality information	Opportunity	Value chain	Medium-term	

ESG Policy

[S4-1 DP 15]

Within its ESG Policy (see 2.2 ESRS E1 - Climate Change, section 2.2.2 Energy, Adaptation and Mitigation of Climate Change, DP 25), the Banca Ifis Group considers the protection of privacy and the security of its customers' and its own people's data to be priority and non-negotiable objectives, managing the data and information in its possession in a transparent manner and in full compliance with current legislation.

Privacy Regulatory Manual

[S4-1 DP 15]

In order to comply with Regulation (EU) 2016/679 (GDPR) and the Italian data protection regulations, the Banca Ifis Group has produced the Privacy Regulatory Manual. The Manual is designed to protect personal data processed by Banca Ifis and its Italian subsidiaries, guaranteeing respect for fundamental freedoms and promoting responsible and compliant handling of personal data (see 3.1 ESRS S1 - Own workforce, section 3.1.6 Other work-related rights (privacy), DP 19).

[S4-1 DP 16a]

Furthermore, it emphasises that respect for universally recognised human rights is an indispensable requirement in its sustainability strategy, and for this reason it protects and promotes these rights in the conduct of its activities and in its relations with its employees and other stakeholders, including users and end consumers.

[S4-1 DP 16]

The ESG Policy has been developed in compliance with international regulations and principles, including the UN Global Compact, the Universal Declaration of Human Rights and UN principles, thus reinforcing the Bank's attention to promoting a responsible growth model.

[S4-1 DP 16c]

With this in mind, the Parent Company is committed to supporting sustainable economic development, giving preference in its financing decisions to companies that adopt ethical behaviour, promote environmentally friendly production methods, guarantee inclusive working conditions that respect human rights, and follow the best standards of corporate governance.

[S4-1 DP 16a,b]

To promote transparency and customer engagement, the ESG Policy is made public and accessible, strengthening the creation of long-term sustainable value. However, no direct involvement of consumers and end-users was carried out in the drafting of the Policy and in defining the Group's approach to human rights.

[S4-1 DP 17]

The various instruments adopted by the Bank have been developed in accordance with international standards, ensuring that all activities are aligned with the principles of the UN Global Compact and the OECD Guidelines. To date, there have been no cases of violation of these principles towards customers and along the value chain, in line with the Bank's focus on meeting global standards of sustainability and social responsibility.

Actions

For Banca Ifis, privacy protection is a core value, with a significant impact on both customer trust and corporate reputation. The Bank recognises the importance of ensuring strict and transparent management of personal data, in accordance with European and Italian regulations. As mentioned above, the Privacy Manual is a key tool to ensure that all personal data processing activities are carried out in full compliance with the rules, with the protection of the rights of data subjects at the centre. Through a structured and monitored approach, Banca Ifis is committed to implementing specific measures to maintain high standards of security and transparency at all stages of processing.

[S4-4 DP 31a]

The Banca Ifis Group has adopted a series of safeguards aimed at ensuring the protection of its customers' privacy, intervening promptly in the event of breaches linked to inadequate management systems or ineffective application of security procedures.

[S4-4 DP 33a]

These measures are aimed at mitigating the risk of loss of sensitive data, resulting from unauthorised access to customer data by internal staff, by ensuring that all preventive actions are effective and properly implemented.

[S4-4 DP 30 MDR-A]

To this end, the Group has adopted specific internal procedures, in line with the provisions of Regulation (EU) 2022/2554 (DORA Regulation), which is currently being updated. These procedures are designed to handle information security incidents that could compromise personal data, violating the confidentiality, integrity or availability of such data.

The Group has also undertaken awareness-raising and training actions to increase the awareness and attention of the resources managing communication activities. A typical example of a privacy-impact incident is 'mispostal', which occurs when a person's personal data is accidentally transmitted to another person who is not entitled to know them. In such cases, the Group undertakes to intervene promptly, assessing the extent of the violation and notifying the person concerned, so that he/she can take all the necessary measures and precautions to prevent the information erroneously transmitted from being unlawfully exploited.

The increasing digitisation and computerisation that have characterised the Group's processes and activities in recent years have made the issues of cyber security and data protection increasingly central to the strategy and business model. In particular, numerous activities aimed at promoting cybersecurity and protecting privacy are implemented, and the potential risks and negative impacts related to these issues are adequately policed and monitored. One important example is the internal regulatory framework governing IT security and the processing of personal data in compliance with national and international law. The management of privacy and cybersecurity issues is carried out by the Privacy & Security Department, reporting directly to the General Management and, specifically, to the COO. As described in the Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of the Bank, the COO is responsible for overseeing the bank's IT and information security and business continuity functions, as well as privacy regulatory safeguards. General Management also includes an Operational Quality Committee, with the aim of outlining, and sharing, operational improvements that allow the Bank to continuously refine its attention to internal/external regulatory frameworks and IT security. Finally, it should be noted that the cybersecurity strategy is outlined and monitored by the CEO.

With regard to cybersecurity issues, several actions were taken during 2024 to improve employees' ability to identify and report incidents involving personal data. IT tools were implemented to detect and prevent abnormal or fraudulent behaviour, such as data theft, and access to customers' banking data was monitored, both by staff with and without privileged users. This monitoring was conducted in line with the provisions of the Supervisory Authority. The Group ensured the prevention and timely handling of IT security incidents, protecting its information assets, which include the data of customers, employees and suppliers. To further raise employees' awareness of security risks, 'simulated phishing' campaigns and a cybersecurity meeting were organised with the participation of industry experts and law enforcement officers.

In addition, the Group launched a project activity to revise the Supervisory Authority's Order No. 192 of 2011, aimed at intercepting any anomalous or undue behaviour by Group employees in relation to personal banking data of customers. The activity involved, among other things, the review of the application perimeter, the verification and regeneration in accordance with the registers, the verification and refinement of alerts, and the verification and testing of the escalation process to ensure the correct application of internal processes and to strengthen privacy protection. Therefore, the prevention and timely management of IT security incidents was ensured in order to protect the Group's information assets, which include the data of customers, employees, suppliers and all other parties with which the Group entertains relations.

[S4-4 DP 34]

The focus on confidentiality is not limited to the internal operations of the Group, but also extends to relations with its value chain. In particular, the Group pays special attention when establishing business relations with suppliers, especially those dealing with the processing of personal data of customers and/or end users. Before a contract is concluded, suppliers are thoroughly assessed by the competent internal functions, with a particular focus on verifying the adoption or ability to adopt adequate measures to ensure the protection of personal data processed.

[S4-4 DP 32a]

With the aim of monitoring the effectiveness of the actions mentioned above, the Group ensures that the processes for handling privacy breaches and the actions to be implemented are governed by internal regulations, such as the Operating Procedure for Handling Information Security Incidents, and are based on best practices, industry codes of conduct and guidelines from competent authorities, including the European Data Protection Board.

[S4-4 DP 32b]

Banca Ifis, with reference to the IT security management process described above (see 3.1 ESRS S1 - Own workforce, section 3.1.6 Other work-related rights (privacy), DP 39), monitors the performance of the solutions adopted with the aim of applying corrective and preventive actions based on the audits carried out and any negative impacts found.

[S4-4 DP 32c]

These processes, which are being updated with the entry into force of the DORA Regulation, are shared through training sessions, tested regularly and monitored using dedicated IT resources, such as Jira and RiskOp.

[S4-4 DP 31d]

Finally, all security incidents are recorded and reported at the end of the year. At least once a year, from the analysis of the incidents that have occurred, the 'problems', i.e. recurring patterns that gave rise to the incident, are examined and, on the basis of the findings, the most suitable preventive actions are identified in good time, ranging from staff training to the adoption of technological solutions aimed at detecting and/or intercepting and/or excluding human error.

3.4.3 Access to products and services

Group approach and policies

The Banca Ifis Group supports SMEs with a diversified range of commercial and corporate banking services, including factoring, financial leasing, advisory for M&A transactions and medium and long-term financing. In the Npl segment, the Bank adopts a sustainable collection model that allows households and companies to manage repayment plans and encourages their financial re-inclusion.

[S4.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Access to products and services / Non-discrimination				
Financial re-inclusion of families and development of an ethical and sustainable collection model	Actual positive impact	Value chain	Medium-term	• ESG Policy • Group Code of Ethics • Group Policy for approving new products and services, starting new operations, and entering new markets • Group Organisational Procedure - Management of marketing communications to customers
Contribution to customer financial education	Actual positive impact	Value chain	Medium-term	
Contribution to increasing the country's entrepreneurship through the strengthening of credit access channels, with a specific focus on SMEs	Actual positive impact	Value chain	Medium-term	
Supporting the sustainable transition of SMEs through the ESG product and service portfolio and customer ESG performance assessment processes	Actual positive impact	Value chain	Medium-term	
Limited access for certain categories of stakeholders to favourable credit line conditions due to the Group's strategic line	Potential negative impact	Value chain	Medium-term	
Lack of ability to meet the financing requirements of certain stakeholder categories due to operational limitations/positioning of the Group	Potential negative impact	Value chain	Medium-term	
Loss of market share due to uncompetitive product offerings that do not meet customer expectations	Risk	Value chain	Medium-/long-term	
Creation of systems/platforms that guarantee access to products and services for all customers	Opportunity	Value chain	Medium-term	
Enhancing reputation through the promotion of effective financial education initiatives	Opportunity	Value chain	Medium-term	

Group Policy for approving new products and services, starting new operations, and entering new markets

[S4-1 DP 15 MDR-P]

The Policy, drafted in accordance with the Supervisory Provisions on Transparency, defines the principles governing the approval of new products and services, changes to existing products and services, whether proprietary or third-party, the launch of new activities, and the entry into new markets: The Policy also regulates the principles governing its development, distribution and monitoring.

The Policy, approved by the Board of Directors, is applicable to all companies belonging to the Group and to all types of customers with whom the Group has relations, including consumers.

Group Organisational Procedure - Management of marketing communications to customers

[S4-1 DP 15 MDR-P]

The Procedure, drawn up in compliance with the Supervisory Provisions on transparency and consumer protection, as well as in line with the regulations on the processing of personal data, governs the macro-process for the management of marketing communications addressed to customers.

The Procedure places particular emphasis:

- on the decision-making flow;
- on how to select the target customers to be reached;
- on privacy and transparency safeguards;
- on the controls provided for each activity;
- on the players involved in the process.

All structures involved must comply with the requirements set out in this internal regulation. Approved by the COO, the Procedure applies to Banca Ifis Group companies offering products and services and is extended to all types of customers, including consumers.

Actions

Accessibility

[S4-4 DP 31a]

The Banca Ifis Group is committed to preventing the possible digital divide for disadvantaged categories of users due to ongoing digitisation processes, and the limited access of certain categories of stakeholders to favourable credit line conditions, due to the Group's strategy and difficulties in meeting financing requests due to operational or positioning constraints.

[S4-4 DP 30 MDR-A]

In particular, an initiative was launched to improve the accessibility of the Bank's digital channels, allowing people with permanent or temporary psychological-motor disabilities to use the Group's corporate websites.

[S4-4 DP 33b]

Furthermore, the Group aims to pursue opportunities that favour access to products and services, creating systems and platforms that ensure that all customers can benefit from the solutions offered. It also aims to improve its reputation by promoting effective financial education initiatives, with the objective of increasing awareness and financial responsibility among its customers, contributing to their long-term financial well-being.

[S4-4 DP 30 MDR-A]

To achieve these objectives, the Banca Ifis Group has initiated a market analysis to assess the competitiveness of its products and the efficiency of its processes, with the aim of responding to emerging demands. Initiatives were taken to improve communication regarding the distinctive features of the offer, addressing any critical issues and preventing loss of market share. In addition, Banca Ifis has strengthened its ties with customers, always operating in a professional, honest and transparent manner, ensuring that all information is clear and understandable, enabling customers to make informed choices.

In the course of 2024, significant progress was made in expanding the Digital Selling Platform (DSP) product showcase by integrating new solutions in the area of the salary-backed loans, and in the myIfis portal, which now also includes leasing and rental products, transforming the platform into a multi-product environment that not only caters to corporate customers, but also to private individuals. In 2025, it is planned to continue to improve the user experience by adding new features and expanding the information available to customers.

Lastly, the Banca Ifis Group continued the 'Innovation Days' project involving the Group's managers in partnership with Il Sole 24 Ore, through which technology and sustainability issues are explored in depth within an entrepreneurial context made up of companies that do not stop investing and recording important results in both product innovation and sustainability. Through this initiative, the Bank aims to improve the financial education of its audience, while strengthening its reputation and competitive positioning in the market.

ESG products

[S4-4 DP 31c]

At the same time, the Group aims to generate positive impacts, including enhancing customers' financial education, increasing entrepreneurship by expanding access to credit and supporting the sustainable transition of SMEs through the ESG portfolio of products and services, as well as adopting ESG performance evaluation processes for customers.

[S4-4 DP 30 MDR-A]

In 2024, several local initiatives were carried out with businesses, independent professionals and SMEs, helping to promote the management culture and raise awareness on best practices as well as new technologies and tools supporting growth - chief among them digitalisation.

The main initiatives included the activation of the SACE Green Guarantee, thanks to which both SMEs and large companies can implement a sound sustainability strategy. The Guarantee, backing 80% of the loan, aims to support Italian companies that invest in projects to develop their businesses in Italy with the objective of accelerating the transition to an economy with a lower environmental impact, integrating production cycles with low-emission technologies for the production of goods and services, and promoting initiatives that develop mobility with lower polluting emissions.

In addition, the 'Ifis Green' project, an innovative financial offer ranging from leasing contracts to the purchase of plug-in hybrid/electric vehicles, continues to be in force. The main initiatives implemented include:

- Ifis Leasing Green: in continuity with 2023, the promotion of sustainable mobility was also pursued in 2024. State incentives (referred to as "Ecobonuses") for 2024 have been scaled down and granted to a smaller group than in previous years, i.e. as far as SMEs are concerned, only for the purchase of non-polluting vehicles by companies carrying out car sharing or car rental activities for commercial purposes. During 2024, the sales network was constantly informed about the new state incentives "Ecobonus" linked to the purchase, also through financial leasing, of electric vehicles;
- research for the development of new leasing products related to sustainable mobility (i.e. e-bikes). In this context, the new 'e-bike rental' product was released in April to promote sustainable mobility and active tourism in Italy. The commercial offer is especially aimed at small and medium-sized enterprises in the tourism and hospitality industry interested in equipping themselves with an e-bike fleet;
- the release of an additional leasing product related to sustainable development: the leasing of photovoltaic systems and charging stations. This solution is dedicated to SMEs to support the transition to renewable energy sources and environmental sustainability.

The Group also continued to develop its offer of sustainable products in the social sphere, with the launch in 2024 of an electro-medical leasing and rental product (offered by Banca Ifis and Ifis Rental Services respectively) designed specifically for pharmacies and healthcare facilities based in Campania, Molise, Apulia, Calabria, Sicily or Sardinia. The aim is to support health centres and prevention activities in these territories by facilitating access to high-end diagnostic equipment through favourable conditions.

[S4-4 DP 31d]

The Group has in-house structures dedicated to monitoring the procedures adopted in order to assess their regulatory and strategic compliance, making use, where necessary, of consultants who are experts in the sector being analysed.

Specifically concerning the definition and introduction of new products and services:

- the Compliance Department ensures the control of the risk of non-compliance, for example, by assessing the adequacy of the safeguards with respect to the applicable regulations or by verifying the compliance of the advertising messages envisaged. In addition, following the introduction of new products and services, the Compliance Department requires the provision of appropriate training courses for the organisational units impacted by the new banking products and services (e.g., on the risks inherent in the new product and how to mitigate them);
- the Anti-Money Laundering Department helps evaluate the risk that the new initiative could pose to the Bank concerning the potential for it to become involved in money-laundering and terrorist financing as a result of the new product.

[S4-4 DP 32a]

In order to respond to negative impacts that may affect customers, specific processes have been implemented to constantly evaluate and improve their experience.

[S4-4 DP 32b]

These include direct surveys conducted to customers registered on myIfis to assess their satisfaction. In addition, the physical network of sales representatives, sales support and managers maintains continuous contact with customers, monitoring their degree of satisfaction in order to optimise the service provided and take corrective action if necessary.

[S4-4 DP 32c]

In the case of communications perceived as ineffective, the communications team is involved by the business functions to make them clearer and more understandable, ensuring better interaction with customers.

[S4-4 DP 34]

During 2024, the Group worked on the makeover of its corporate websites with the aim of improving accessibility for people with psychological-motor disabilities, whether permanent or temporary. As far as creditworthiness is concerned, there are currently no differences in the favourable terms of credit lines for different categories of stakeholders.

Social Banking NPL

[S4-4 DP 31c]

Banca Ifis's social agenda and its focus on the needs of individuals and businesses is also reflected in the adoption by the Npl business of a sustainable collection model whose ultimate goal is the financial re-inclusion of family and corporate customers. In addition, within this project, the Bank paid attention to particular categories of debtor customers considered to be fragile subjects.

[S4-4 DP 30 MDR-A]

Ifis Npl is a major player in the Italian non-performing loans market and a leader in the unsecured small ticket segment. Ifis Npl operates through two companies:

- Ifis Npl Investing: originates and submits for evaluation and due diligence investment opportunities in non-performing loans also in the form of fund shares and securitisation notes. As investor and owner of the debt portfolio, it defines recovery strategies and monitors recovery performance on a case-by-case basis. Ifis Npl Investing is a full subsidiary of Banca Ifis;
- Ifis Npl Servicing: a company that manages portfolios of non-performing loans owned by Ifis Npl Investing and portfolios of Npl on behalf of third parties, implements the most appropriate recovery strategies in coordination with its principals and with the aim of defining sustainable solutions with the debtor clients. Ifis Npl Servicing is a full subsidiary of Ifis Npl Investing.

What has been defined over the years is a virtuous model where every action is also evaluated considering the impact it can have on the community and the context in which the Group operates. Thanks to the definition of a collection model centred on customer assistance and which favours amicable agreements, the Group is committed to fostering a concrete path to the financial re-inclusion of debtors through a management characterised by: the customisation of repayment plans, multi-year and with sustainable monthly instalments, open dialogue with debtors and respect for the counterparty's preferences in terms of contact times and channels, investment in corporate structures (contact centre) and technological equipment to offer flexibility over time for the debtor.

The Group companies operating in the Npl Segment focus on assessing whether the receivables can be recovered and preparing settlement plans compatible with the specific debt situation by adopting several mechanisms throughout the various loan acquisition stages, i.e.:

- a first control, aiming to verify whether the loans being acquired can be recovered, so as to exclude non-existing or time-barred receivables and prevent the risk of non-payment as well as the reputational risk that trying to collect bad loans would entail;
- it prepares settlement plans suited to the customer's finances and tailored to each individual case;
- assessment of the customer's actual return potential with a deliberation process focused on understanding the customer's overall situation.

Identification of Banca Ifis’s 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 the course of 2024, a project was launched to further develop the Bank's sustainable debt collection model and approach, in order to materialise its recovery action as an opportunity for financial re-inclusion, consistent with the double bottom line approach pursued by the Chair and its focus on sustainability. In particular, the project was divided into several project sites, each with a specific purpose. The results achieved during the year are manifold and involve several areas:

- the enhancement of the Pagachiaro Portal, the on-line payment platform created to help debtors return performing and which enables fast and effective communication, through the introduction of digital onboarding, a 'call me back' option that allows the debtor customer to request a postponed contact and pre-approved proposals that can be subscribed to in a fully digital mode;
- raising the awareness of debtor customers on financial education issues through the provision of video-pills on generic and specific financial education topics on the debt collection process, developed in cooperation with FEduF and the Unirec consumer forum;
- the implementation of specific communication initiatives to encourage the use of the Pagachiaro Portal;
- the introduction of psychological support models and support in reintegration into the world of work, in cooperation with specialised external partners in order to support the social and financial reintegration of debtor clients;
- the launch of a pilot project with the aim of encouraging amicable settlements of cases under judicial processing, increasing out-of-court settlements in the judicial basin.

The Banca Ifis Group's amicable collection model is based on a collection network that adheres to behavioural standards based on principles of fairness, loyalty and consistency, in line with the Group's Code of Ethics and the Unirec Code.

The quality of portfolio management procedures is monitored with more than 60 thousand telephone calls per year to verify customer satisfaction, both in terms of relationship management and satisfaction with the defined return solution.

The Ifis Npl amicable collection network consists of:

- Internal Call Centre: made up of Ifis Npl Servicing employees who provide management and support through dedicated channels (e.g. toll-free number, Pagachiaro portal, e-mail, etc.);
- Agent network (Agents pursuant to Art. 115 of the Consolidated Act on Public Safety Laws and Agents in financial activities) operating extensively throughout Italy;
- Collection partner companies of Ifis Npl specialising in out-of-court activities.

Operating practices are formalised in internal rules and regulations to ensure transparency, integrity and added value to the debt collection process. The adopted organisational model and internal regulations were defined in close cooperation with the parent company's Compliance Department, in compliance with current legislation and the relevant principles of conduct.

In the selection phase of agents and recovery companies, structured checks are carried out to assess their suitability and reliability, including checks on professional registers, investigations into good standing requirements, asset and company analyses, and assessment of operational practices. In addition, both in the start-up phase and during the course of the activity, continuous training and coaching is provided.

The creation of a Network of professionals at the debtor customer's service enables real support nationally, in full respect of the Group's values. Several precautions are taken to ensure the integrity of the behaviour of debt collection Agents and companies, including:

- the obligation to comply with the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, at the time of stipulating the contract;
- control over the number of mandates: pursuant to Art. 128 quater, paragraph 4 of the Consolidated Law on Banking, the financial Agent may perform activities based on the mandate of a single intermediary or several intermediaries belonging to the same Group. In certain cases, the Agent may take on two additional mandates provided that they are for different products from those already in place;
- the presence of a continuous monitoring system through contact with debtor customers and the verification of specific qualitative and quantitative indicators;
- continuous training and coaching;
- observation of the “Code of Conduct” drafted by the Unirec forum.

In order to strengthen the Network's work in line with the Group’s values, special manuals have been prepared that recall the ethical-behavioural principles, with a focus on the sustainability of the collection action on which special training is provided.

[S4-4 DP 31d]

All the professionals in the Network are specially selected on the basis of suitability and reliability criteria, trained and constantly supported and monitored over time, including through specific indicators.

Ifis Npl Servicing adopts various monitoring methods in order to verify the Network's behaviour and performance in the Npl area, including 'welcome calls', aimed at ensuring the quality of service dedicated to debtor customers and the effectiveness of the sustainability of negotiated agreements. There is also a continuous listening to the problems and needs expressed by the network operators through specially organised meetings. In addition, any anomalies and behaviour that does not comply with the guidelines provided by the Parent Company are promptly reported to the function responsible for managing operational and reputational risks.

In addition, with a view to further improving processes from an ethical-sustainable perspective and developing a market model to support financial re-inclusion, the following initiatives were taken:

- inclusion and deepening of ESG topics in training for internal and external resources with a focus on recovery strategies on fragile subjects;
- remodelling of monitored indicators by increasing the specific weight of ESG KPIs focused on recovery activity and sustainability of collection;
- disbursement of incentives to the most virtuous collectors from an ESG perspective;
- strengthening and expansion of the Welcome Call activity also through external Call Centres;
- enhancement of self-collection tools (Pagachiaro portal) for debtor customers.

The Banca Ifis Group's control functions carry out checks on the external Ifis Npl Network (Collection Companies, Agents pursuant to Art. 115 of the Consolidated Act on Public Safety Laws and Agents in Financial Activities) regarding compliance with the laws and regulations as well as the procedures shared when the mandate was signed, in order to prevent any operational, legal and reputational risks associated with the credit brokerage activities carried out by parties outside the Group.

Ifis Npl Servicing also constantly monitors the external network through quantitative and qualitative KPIs. These KPIs are monitored monthly and, if applicable, a dialogue is activated with agents and debt collection companies to launch any corrective actions. KPIs are regularly shared. In addition to the regular inspections run at the collection Companies and Agents, specific inspections may be held or questionnaires submitted with a view to verifying various aspects, including the adequacy of the collection processes adopted in respect of the market best practices.

On the basis of the above-mentioned monitoring activities, an overall assessment of the collectors is drawn up and, depending on the results, appropriate actions are identified. When faced with risk events, the internal structures duly inform the control organisation units and, in particular, the Risk Management function, as responsible for handling operational risks. In the event of repeated low quality in work performed or misconduct, penalties are applied, culminating in the termination of the cooperation relationship in the most serious cases.

3.4.4 Responsible marketing practices

Group approach and policies

The Banca Ifis Group recognises the development of digital innovation as one of the leading and priority actions for the implementation of its strategy. The main objectives include expanding the product offering through fully digital sales channels, improving the user experience for all types of customers and streamlining internal processes.

[S4.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Responsible business practices / Non-discrimination				
Improvement in customer satisfaction levels due to the provision of tailor-made products/services and/or the failure to deal with grievance in a timely and effective manner	Actual positive impact	Value chain	Medium-term	• ESG Policy • Group Code of Ethics • Organisational Procedure for the Transparency of banking and financial operations and services
Engaging in unfair, deceptive or aggressive business practices, including greenwashing or social washing with respect to products offered	Potential negative impact	Value chain	Medium-term	
Customer dissatisfaction due to ineffective, transparent and incomprehensible communication	Potential negative impact	Value chain	Medium-term	
Non-compliance with regulatory requirements on market integrity, fairness, transparency and prevention of market abuse	Risk	Value chain	Medium-term	
Failure to respect customers' interests, unfair market practices and absence of codes of conduct	Risk	Value chain	Medium-term	
Improving customer relations through clear and transparent communication	Opportunity	Value chain	Medium-term	

Code of Ethics, ESG Policy

[S4-1 DP 15]

Within the Code of Ethics (see 4.1 ESRS G1 - Business Conduct, section 4.1.1 Corporate Culture and Protection of Whistleblowers, DP 7 MDR-P) and the Group's ESG Policy (see 2.2 ESRS E1 - Climate Change, section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 25) Banca Ifis emphasises its commitment to operating in a socially responsible and inclusive manner, with particular attention to consumers and end users of its products and services. To this end, business practices based on principles of responsibility and non-discrimination are promoted.

Organisational Procedure for the Transparency of banking and financial operations and services

[S4-1 DP 15]

Finally, as illustrated above, the Group, through its organisational procedure relating to the transparency of banking and financial transactions and services (see 3.4 ESRS S4 - Consumers and End-Users, Section 3.4.1 Access to (Quality) Information, DP 15 MDR-P), establishes the main regulatory requirements and determines the operating procedures through which each Group company meets them.

Actions

Respect for customers' interests and transparent management of their relationship with the bank are central topics for Banca Ifis. The latter strives to mitigate the risks arising from non-compliance with these interests, unfair market practices and the absence of codes of conduct, while ensuring full compliance with regulatory requirements on market integrity, fairness and transparency, as well as in the prevention of abuse. A fundamental aspect of the Group's strategy is the constant improvement of customer relations, promoting clear, consistent and transparent communication, and ensuring the absence of discrimination at every stage of the relationship.

[S4-4 DP 31a]

Banca Ifis is committed to introducing concrete measures aimed at preventing the potential negative impacts generated by the execution of unfair, deceptive or aggressive business practices, including greenwashing or social washing with respect to the products offered, as well as the limited access for certain categories of stakeholders to favourable credit terms, resulting from the Group's strategy and operational limitations that affect its ability to meet all loan requests.

[S4-4 DP 30 MDR-A]

In particular, during 2024, as part of the 'Ifis Sustainable Transformation' programme, the bank addressed the need to adapt to regulatory and market developments in the ESG sphere by defining an ESG-enhanced credit framework based on customer assessment through an ESG score. To this end, it modified the existing underwriting processes and introduced new IT tools, such as:

- administration of an ESG questionnaire to counterparties and use of the ESG Score;
- updating of credit policies and integration of the current credit framework with a strengthening of the steering from an ESG perspective;
- modification of the proxy engine with the integration of a strengthened underwriting process from an ESG perspective;
- establishment of a technical team of ESG experts for underwriting advice.

[S4-4 DP 31c]

On the other hand, it seeks to generate positive impacts by improving customer satisfaction by offering customised products and services and ensuring timely and effective complaint handling.

[S4-4 DP 30 MDR-A]

More specifically, the goal of the complaints handling process is to handle in an appropriate and timely manner any grievance received from customers unsatisfied with the products and services provided or offered, taking corrective and preventive actions to prevent any problem from recurring in the future. These actions can consist in specific initiatives addressing the individual grievance or the implementation of general solutions to address the causes underlying the individual grievance or multiple grievances concerning the same area. In this regard, all staff involved in the handling of complaints have received specific directives regarding the advisability of facilitating the search for a personalised solution aimed at the granting of support measures on a voluntary basis by the institution. In addition, again with a view to helping customers resolve problems linked to access to credit, particular importance is given in the training process for staff responsible for handling complaints and in the grievance management process to the issue of reporting to credit databases (Central Risk Office and private databases), in relation to which the Group Claims Department has developed specialist skills that make it a point of reference, together with the Supervisory Reporting Service, for other corporate functions.

[S4-4 DP 31d]

Within the scope of the 'Ifis Sustainable Transformation' programme, the Group has established ESG standards that the Bank must comply with in relation to the end customer. These are continuously monitored internally in order to assess the application and regulatory compliance of these procedures.

[S4-4 DP 32a]

The process of handling marketing communications provides for special safeguards to ensure the fairness and transparency of communications.

[S4-4 DP 32b]

In particular, specific exclusions are considered in the definition of the relevant market, which may be determined by various factors, such as, for example, the presence of grievances, litigation and particular customer requests.

[S4-4 DP 32c]

For the purposes of completeness and appropriateness of communications, the Compliance department and, for data processing aspects, the Privacy structures are involved in the process.

[S4-4 DP 34]

The marketing of the Group's products takes place through a sales network that is suitably trained in sustainability regulatory compliance and related risks; where sales are conducted through digital channels, customer communication is also developed in accordance with sustainability regulatory principles. In addition, the Credit Support, ESG & Monitoring function receives continuous training to adapt to regulatory developments in the ESG area and to integrate the Group's strategy on these issues into its work.

[S4-4 DP 33a]

In response to the risk of customers' interests being disregarded due to unfair market practices, as well as non-compliance with regulatory requirements relating to market integrity, fairness, transparency and prevention of market abuse, the Group has a specific Group Policy for the approval of new products and services, the launch of new activities, and entry into new markets.

[S4-4 DP 30 MDR-A]

The Policy described above establishes guidelines for the development, distribution and monitoring of products, ensuring that, when setting up a new product, the following are considered:

- the interests, objectives and characteristics of customers;
- the inherent risks of products that could be detrimental to customers;
- possible conflicts of interest, to ensure that they are controlled and, where possible, limited.

[S4-4 DP 33b]

At the same time, the Group strives to seize the opportunity to improve customer relations through clear and transparent communication.

[S4-4 DP 30 MDR-A]

To achieve this objective, the Group has adopted an organisational procedure for the management of marketing communications to customers that governs the macro-process adopted, placing the utmost importance on the decision-making flow, the methods for selecting the target customers to be reached, the privacy and transparency safeguards, the controls envisaged in each activity and the relevant players involved. In defining the target market, specific exclusions are considered, which may be determined by various factors, such as, but not limited to, the presence of grievances, litigation and particular customer requests.

Resources allocated to manage impacts, risks and opportunities

[S4-4 DP 37]

In the area of consumer and end-user management, the Banca Ifis Group involves different business functions, adopting a holistic and efficient approach to address and manage the impacts generated. In particular:

- Privacy & Security and Security Operation are responsible for the analysis, evaluation and resolution of events that qualify as security incidents;
- Innovation & Business Development, in cooperation with Brand, Corporate Communications & Sustainability and Digital Innovation & Advertising, aims to constantly innovate portals, offering customers increasingly intuitive, simple and understandable solutions. It also identifies opportunities for improvement arising from the market and business;
- Npl deals with the financial re-inclusion of households through the management and restructuring of impaired loans, promoting an ethical and sustainable collection model. Through targeted solutions, it helps restore economic stability and facilitates new access to credit, thus contributing to a fairer and more inclusive financial system;
- Strategic Marketing & Research, in cooperation with strategic partners, conducts in-depth research and analysis on group customers, integrating ESG factors to ensure a responsible and sustainable approach.

[S4-4 DP 35]

The policies and actions adopted reflect Banca Ifis's focus on fair, ethical and sustainable management of customer relations, including the prevention of human rights violations. In particular, the control system did not record any reports or cases of threats against customers.

Regarding the management of its customers' privacy, in 2024, the Banca Ifis Group registered a customer grievance with the Italian Data Protection Authority regarding alleged privacy violations. After examining the defences provided in response, the Authority concluded its investigation by ordering the grievance to be closed. In 2024, there were 60 incidents involving the loss, access, or unauthorised disclosure of personal data. Most of these events are related to the loss or theft of company devices, the incorrect sending of documentation by regular mail or e-mail, and the loss or theft of paper documentation. No incident required communication to the Supervisory Authority or the persons concerned.

In addition, the Banca Ifis Group handled grievances lodged with the intermediary for breach of privacy, detecting four violations in the context of the collection of distressed Npl loans for the use of unauthorised telephone users and sending documentation to third parties not authorised to receive it.

3.4.5 Engagement processes

[S4-2 DP 20a]

The Banca Ifis Group has implemented various different tools to receive feedback and grievances from key stakeholders, including employees, collaborators and professionals that work with the Group on a regular basis, as well as through grievances from customers or debtors.

[S4-2 DP 20,b]

Although there is no specific time for direct stakeholder involvement, the network of sales, management and sales support maintains continuous contact with customers, constantly gathering their feedback to improve the offer.

[S4-2 DP 20c]

These mechanisms help management identify potential inefficiencies, anomalies or issues concerning business processes. Therefore, along with the controls, they are key tools with which to evaluate the effectiveness of the management approach to the various topics.

[S4-2 DP 20d]

In order to assess its relationship with customers and the level of engagement, the Banca Ifis Group carries out surveys to collect feedback on the platforms available to customers. These include surveys conducted among users registered on myIfis to measure their level of satisfaction.

[S4-2 DP 21]

The measures taken by the Bank to better understand the views of consumers and end-users, particularly those who may be vulnerable to impacts or marginalised, are based on an integrated approach involving several internal structures. The Bank employs corporate and communication functions to ensure that information is transparent, effective and understandable. Controlling structures, such as Compliance, deal with regulatory aspects and transparency, while the Marketing & Business Strategy and Communications, Marketing, Public Affairs & Sustainability Departments seek to make these easily understandable for all customers. Through survey and feedback-gathering activities, the Bank strives to continuously improve its digital platforms in order to optimise the customer experience and the accessibility of its services. For customers in disadvantaged situations, such as the digital divide, the Bank offers telephone and physical support, promoting inclusion. In addition, it promotes local initiatives for SMEs and local realities, contributing to the dissemination of managerial culture and raising awareness on issues related to innovation and digitalisation.

3.4.6 Channels

[S4-3 DP 25a]

The Group Claims Department plays a strategic role in claims management, working to mitigate the negative impact on customers resulting from negligence, inefficiency or errors in business processes. In addition to ensuring the appropriate handling of individual cases and the adoption of corrective measures, the function deals with the identification of critical issues of a systemic nature, which can potentially be replicated on a broader customer base.

To ensure a structured approach, the Group Claims Department uses an advanced IT system that associates each claim with a potential operational risk report. This tool makes it possible to analyse the level of risk and the possible impact on a significant portion of customers, triggering remediation actions on a larger scale where necessary. Such a tool ensures direct alignment with the Risk Management function, facilitating continuous improvement of internal processes and enabling effective monitoring of anomalies as well as integrated operational risk management. This approach makes it possible to prevent and correct recurring malfunctions, ensuring greater customer protection and an overall improvement in service quality.

In addition, on a six-monthly basis, the Group Claims Department processes statistical data on claims and other types of out-of-court disputes handled and draws up a summary report presenting the situation for the six-month period of reference for each individual company. The report also contains additional activities carried out by the Group Claims Department during the reporting period, such as training activities, inspections, and similar. These mechanisms help management identify potential inefficiencies, anomalies or issues concerning business processes. Therefore, along with the controls, they help evaluate the effectiveness of the management approach to the various topics.

Finally, the Compliance Department periodically monitors the reports registered by the Group Claims Department through the grievances register, in order to ensure a systematic check on the effectiveness of the resolution of reported issues. This mechanism makes it possible not only to assess the work of the Group Claims Department, but also to identify any critical issues that might require the Compliance Department to take corrective or preventive measures. This approach ensures a continuous improvement of the complaint handling system and a more timely identification and resolution of structural anomalies.

At the same time, the Privacy Department is responsible for handling reports of any incidents, using problem management activities aimed at identifying the underlying causes of anomalies and assessing their impact. As part of this process, the department systematically analyses and classifies the problems encountered, carrying out a quarterly in-depth screening of critical issues, organised by cluster. This approach allows corrective solutions to be identified and implemented at process level, e.g. by revising or optimising company procedures, with the aim of preventing the recurrence of anomalies and ensuring continuous improvement in the management of privacy and information security.

[S4-3 DP 25b]

The Banca Ifis Group has set up various channels for the collection of grievances, which are accessible via the corporate website in the Complaints and Transparency sections, in pre-contractual disclosures and in contracts. In particular, customers can submit reports via:

- the Complaints form accessible from the Complaints section of the Banca Ifis Group's corporate website;
- Certified Electronic Mail reclami.pec@bancaifis.legalmail.it;
- E-mail reclami@bancaifis.it;
- Registered letter sent to Via Terraglio 63, 30174 Venezia-Mestre;
- Fax to +39 0415027577.

Documents explaining how to file a grievance, the expected response time and the procedures for bank arbitration in the event of an unsatisfactory response are available on the company website.

In particular, with regard to the right to privacy, a specific e-mail reference privacy@bancaifis.it has been set up. For any queries on the processing of their personal data or to express concerns, customers have the possibility to contact the Group Data Protection Officer (DPO) at rpd@bancaifis.it, alternatively they can write to privacy@bancaifis.it.

Customers also have at their disposal the Pagachiaro portal, a simple and free digital platform offered by Ifis Npl, designed to help debtors manage their financial situation on-line and return to profitability in a sustainable way. Through Pagachiaro, it is possible to make payments, download payment slips to be used at the post office or in Mooney ticket offices and apps, monitor repayment plans and consult related documentation. With these functionalities, Pagachiaro is a useful and transparent tool for managing debt positions with Ifis Npl, providing customers with a simple and effective digital experience.

[S4-3 DP 25d]

Data on the quality of cooperation with Group Claims is forwarded to the Risk Management function for continuous monitoring, in order to identify any critical issues and activate corrective measures when necessary. At the same time, information on operators' behaviour towards customers is included in specific reports, intended for both the control functions and the Business Units and Governance Bodies.

Responses to grievances, in any case, provide clear and transparent details: if the grievance is judged to be well-founded, the actions that the Group undertakes to take in favour of the customer are specified, with a time-frame for their implementation. If, on the other hand, the grievance is deemed unfounded, a full explanation of the reasons for the rejection is provided, together with information on the options of bank arbitration with the competent body or other modes of out-of-court dispute resolution.

The information collected is used to prepare half-yearly reports sent by the Group Claims Manager to the Corporate Affairs Department and presented to the Group's Boards of Directors, highlighting claims data, main reasons and legal and reputational impacts.

Otherwise, reports and requests from data subjects, on the privacy side, are handled by a dedicated structure, adequately trained and instructed to handle such cases appropriately.

[S4-3 DP 25c]

The management process is supported by an IT system that tracks each step, ensuring that deadlines are met and documents are retained. In relation to privacy, the channels provided are also indicated in the information notices that are provided to all interested parties at the time of their first contact with a Group company.

[S4-3 DP 26]

The Banca Ifis Group informs its stakeholders of the possibility of using its systems to report any irregularities, thanks to structured and easily accessible procedures. In particular, the person in charge of the internal reporting system provides clear information on the channel, procedures and prerequisites for making internal and external reports, and ensures that such information is easily accessible by publishing it in a dedicated section of the institutional websites of the Group companies that have it and on the corporate intranet, as well as for the mechanisms available on privacy and whistleblowing.

In addition, clients can refer to the support of the Group Claims and Privacy & Security Departments, both of which are third party and impartial, which ensure that rights are respected and that the necessary actions are taken in response to the reports submitted, ensuring that any negative impacts that have occurred are addressed. Subsequently, the Group Claims and Privacy & Security Departments, each within the scope of their competences, supervise the fulfilment of the corrective measures taken to protect customers.

[S4-3 DP 26]

The reporting system guarantees the protections of confidentiality, data processing and from retaliation. With reference to the protection of whistleblowers, as defined in the Whistleblowing Policy, Banca Ifis has put in place specific procedures aimed at ensuring the protection of individuals from any form of retaliation when they use these processes to report irregularities. For more details on policies to protect individuals from retaliation when using such procedures, see ESRS G1-1.

3.4.7 Targets

[ESRS 2 DP 72,81b MDR-T]

[S4-5 DP 41,a,b,c]

By implementing the actions described, the Banca Ifis Group proactively manages the impacts, risks and opportunities related to its customers, promoting a relationship based on transparency, accessibility, innovation and mutual trust.

Consequently, no specific targets have been set for customers and end consumers at present, nor have any monitoring processes been implemented or areas for improvement identified.

[ESRS 2 DP 72,81a MDR-T]

In the coming years, the Bank will consider setting specific targets on this topic, taking into account the strategic priorities and the needs of the operating environment.

4. Governance

4.1 G1 – Business conduct

4.1.1 Corporate culture and the protection of whistleblowers

Group approach and policies

[G1-1 DP 9]

Fairness, professional ethics and the dissemination of corporate culture and values are the foundations that define the Group's integrity. Promoting virtuous conduct means not only ensuring the quality of credit, but also preventing corruption, strengthening a working environment based on transparency and mutual trust. The responsibility for the ethical principles that guide the Group's actions is also reflected in the attention paid to the protection of whistleblowers.

[G1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Business culture				
Dissemination of a culture of fairness and ethics among employees	Actual positive impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 • Sensitive sectors policy • Anti-money laundering policy • Employee training
Occurrence of money laundering incidents to the detriment of the market and the community	Potential negative impact	Own operations	Medium-term	
Promotion of initiatives to support the business culture	Opportunity	Own operations	Medium-term	
Protection of whistle-blowers				
Ineffectiveness of whistleblowing processes and/or in the protection of whistleblowers, resulting in their distrust of the Banking Group	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Group Whistleblowing Policy

Code of Ethics

[G1-1 DP 7 MDR-P]

The Banca Ifis Group's Code of Ethics defines the principles, values and responsibilities that guide its relations with all stakeholders, promoting fairness, loyalty and consistency within and outside its organisation. This tool is essential to preserve reputation, ensure sustainable value creation and guide choices, processes and behaviour. The definition of the principles, values, rights, duties and responsibilities of the Group's Code of Ethics takes into account the interests of all stakeholders with whom Group companies enter into relations in order to ensure the pursuit of its corporate purpose and promote virtuous conduct consistent with its values. Furthermore, the Code is an integral part of the Organisational, Management and Control Models adopted pursuant to Italian Legislative Decree no. 231/2001, aimed at preventing the perpetration of offences by its employees and the liability of the Group.

The Code of Ethics is approved, on the proposal of the Chief Executive Officer, by Banca Ifis's Board of Directors. Once approved, it is implemented by the respective bodies and subsidiaries through internal instruments for the implementation of the regulations, within the framework of the management and coordination activities exercised by the parent company. Group companies that have adopted an Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 have set up a Supervisory Body, which is responsible for: defining initiatives aimed at dissemination and application, coordinating the drafting of rules and procedures, promoting the periodic review of the Code of Ethics, supervising its observance and application, and activating, through the organisational units in charge, any sanctions and reporting to the Board of Directors.

The rules and principles included therein apply to all those who work with the companies of the Group, including directors, auditors, employees, suppliers, collaborators and contractual counterparties, even if they are involved on an occasional or non-continuous basis, such as secondees, interns and collaborators in various capacities. To ensure compliance with the values, this tool is made available on the company intranet, in the "Regulations and Forms" section and on the company website.

The Group's Code of Ethics sets out the fundamental principles that should guide the behaviour of all members, promoting a working environment based on:

- fairness: promotion of virtuous conduct, professional ethics, credit quality and prevention of corruption;
- collaboration: willingness to discuss and collaborate with stakeholders, transparency and simplicity in communication to encourage free and informed choices;
- professionalism: constant commitment to improvement and innovation, with professionalism, passion and staff cooperation;
- passion: the enthusiasm and personal involvement of professionals as a key resource for the Group;
- privacy: protection of personal data and information, in compliance with privacy regulations;
- centrality of the person: investing in people's skills and protecting their dignity and safety, countering any violations;
- fairness: rejection of discrimination, with business decisions based on merit and not on prejudices related to race, nationality, age, sexual orientation, and other aspects;
- equal opportunities and inclusion: ensuring equal opportunities and concrete actions to support inclusion by adopting an inclusive and culturally diverse organisational model.

The Group Code of Ethics in force today was approved on 22 December 2016 and updated constantly, most recently on 19 December 2024. Specifically, the revision aimed to update the document against the introduction of the Sensitive Sectors Policy. The Group's Code of Ethics has therefore been adapted with respect to the introduction of detailed regulations specifying which sectors the Group does not wish to enter into relations with.

Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001

[G1-1 DP 7 MDR-P]

In a parallel fashion, the Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of Banca Ifis (see 4.1 ESRS G1 - Conduct of Businesses, section 4.1.3 Corruption and bribery, DP 7 MDR-P) aims to promote a culture of legality within the company, preventing the perpetration of offences connected with company activities. To this end, a control system is implemented that includes principles of conduct and organisational measures that are binding for all recipients of the Model, with monitoring of compliance entrusted to the Supervisory Body in cooperation with the internal control functions. Any violation of the Model is seen as a conflict with the Bank's moral and ethical values and will be sanctioned, even if motivated by intentions aimed at benefiting the company. The involvement of personnel in the prevention of unlawful conduct and the timely reporting of possible violations of the Model is also strengthened.

Sensitive sectors policy

[G1-1 DP 7 MDR-P]

Consistent with the Code of Ethics, Banca Ifis's Sensitive Sectors Policy represents a crucial element for the correct orientation of banking activities in relation to sectors that may involve environmental, social and governance risks. The Bank has defined a rigorous approach to sectors considered sensitive, promoting responsible management of investments and operations towards activities potentially harmful to the environment, society and people.

Specifically, sectors are identified as excluded if:

- they are incompatible with the ethical principles and guidelines of the Group's Code of Ethics;
- they are considered to be ESG high risk.

Through this Policy, Banca Ifis aims to ensure that its operational choices are consistent with the principles of sustainability, while minimising exposure to risks from high-impact sectors.

The Policy, which complements what is already regulated in the Code of Ethics, applies to a variety of sectors, including those related to fossil energy, the unconventional oil and gas industry, unconventional arms production, tobacco and other activities that may violate human rights or cause irreversible damage to the environment. In this way, the Bank intends not only to protect its own reputation and that of its stakeholders, but also to contribute to sustainable economic growth and a more equitable and resource-friendly future.

The latest version of the Policy, approved in February 2025, is applied to all Group companies. The provisions are addressed to all organisational units involved, which must comply with the contents according to their respective competences.

Approved by the Board of Directors with validation by the Chief Executive Officer, the Policy is managed by the Process Owner, Communication, Marketing, Public Affairs & Sustainability, in collaboration with the Chief Commercial Officer (COO), the Chief Lending Officer (CLO) and Risk Management, who promotes its updating whenever the need arises. The Group actively promotes the knowledge and application of the Policy, making it accessible on the corporate intranet, in the "Regulations and Forms" section, and on the corporate website.

Anti-Money Laundering Policy

[G1-1 DP 7 MDR-P]

The Group's Anti-Money Laundering Policy aims to define effective safeguards, processes and procedures to contribute to the fight against money laundering and terrorist financing, ensuring adequate active cooperation with the Supervisory Authorities. It sets out the organisational model and processes implemented by the Banca Ifis Group to manage and mitigate these risks, in accordance with current regulations.

Specifically, this Policy governs:

- organisational structures, procedures and internal controls;
- due diligence processes;
- suspicious transaction reporting;
- data retention;
- the overall process for managing the risk of money laundering and terrorist financing.

The application of the Policy follows the principle of proportionality, taking into account factors such as the volume of business by geographic area, Group membership, types of activities performed, business model and strategies adopted, ownership structures and distribution channels.

The Policy applies to all Group companies, with exceptions subject to the prior approval of the body with strategic supervisory functions of the parent company. Each subsidiary is responsible for the concrete implementation of the Policy, under the supervision of the Chief Executive Officer or, in his absence, the Board of Directors. The body with strategic supervisory function of each company transposes the Group Policy and ensures its effective implementation.

The Policy is prepared in implementation of the Bank of Italy Provisions of March 2019, as amended by the Provision of 1 August 2023, and is published on the company intranet. It is promptly updated by the Anti-Money Laundering Department according to changes in regulations, operational processes or reference information systems. In order to promote its dissemination and understanding, all employees receive special communications and updates.

Whistleblowing Policy

[G1-1 DP 7 MDR-P]

The Whistleblowing Policy adopted by the Banca Ifis Group is a tool to ensure transparency, ethics and regulatory compliance within the organisation. The document describes in detail the methods and channels of communication available to whistleblowers, the procedure activated following a report and the roles and responsibilities of the players involved.

Specifically, this Policy governs:

- the steps involved in the process and how to confirm, where possible, receipt of the report to the whistleblower;
- the information flow on the development of the proceedings addressed to the whistleblower and the reported subject;
- the whistleblower's obligation to declare any private interests linked to the report;
- communication to the corporate bodies by the person in charge of the internal system in case of detected irregularities.

The Policy is applicable to all Group companies and all legal entities, regardless of the type of contractual relationship, ensuring a uniform implementation of the provisions.

Approved by the Board of Directors of the Parent Company on the proposal of the CEO, the Policy is implemented by the Boards of Directors of the subsidiaries and disseminated to all Group staff. Any updates, proposed by the Chief Executive Officer on the instructions of the Parent Company's Internal Audit, Organisation and Compliance Department, take into account regulatory and organisational changes, in order to monitor their correct application.

Through the widespread dissemination of the document, available to all personnel, the Banca Ifis Group confirms its commitment to promoting a corporate culture based on principles of integrity, legality and protection of whistleblowers.

Management of reports: the Whistleblowing System

[G1-1 DP 10a]

To prevent the negative impacts arising from the ineffectiveness of whistleblowing processes and the insufficient protection of whistleblowers, with the consequent risk of loss of confidence in the Group, Banca Ifis has set up a whistleblowing system supported by formalised procedures accessible to all personnel that allows them to report acts, facts or omissions that violate laws or internal procedures of Group companies. The system is accessible not only to internal stakeholders, such as shareholders, directors and employees employed on a subordinate basis (e.g. on a permanent, fixed-term or apprenticeship basis), but also to external stakeholders, such as self-employed workers, collaborators, suppliers, consultants, trainees and volunteers, including those whose employment relationship has not yet started or has already ended.

[G1-1 DP 11]

In order to ensure the proper functioning of the Whistleblowing procedures, Banca Ifis has developed such a tool in compliance with Italian Legislative Decree no. 24/2023, which transposes EU Directive 1937/2019 on the protection of whistleblowers reporting European and national regulatory infringements. The Group ensures the functioning of the reporting channels and the protection of all those involved.

[G1-1 DP 10ci]

The Banca Ifis Group Whistleblowing system consists of the following channels:

- a dedicated application, accessible via intranet or institutional sites. The software allows for anonymity by opening a confidential 'Inbox' to be contacted in case of need during the processing of the report in order to complete the investigation. Each report will also generate a notice sent to the dedicated e-mail address, accessible only to the Head of Internal Audit;
- a voice messaging system via a dedicated toll-free number, which sends an alert to the associated e-mail address accessible only to the Head of Internal Audit;
- an internal or external mail service, allowing written reports to be sent in a sealed envelope, addressed to the Head of Internal Audit, marked 'strictly confidential';
- a direct report to the Head of Internal Audit, by contacting a dedicated number.

The Head of the internal reporting system, as required by the relevant legislation, provides clear information on the channels, procedures and requirements for submitting internal and external reports. In particular, in the presence of the conditions laid down in Italian Legislative Decree no. 24/2023, such as inactivity of the internal channel, well-founded risk of retaliation or imminent danger to the interest, are also provided for:

- external reporting to the National Anti-Corruption Authority (ANAC);
- public dissemination through the press or electronic media or otherwise through means of dissemination capable of reaching a large number of people.

[G1-1 DP 10cii]

Confidentiality is guaranteed at every stage of the reporting process, protecting the identity of the whistleblower, the reported person and the persons involved, as well as the content and documentation of the report itself, ensuring complete confidentiality with respect to the information received through the report. Indeed, confidentiality obligations are balanced against the need for investigations and disciplinary action, or in the case of legal proceedings: identity is only revealed when necessary for investigations or judicial investigations.

The whistleblower is protected from retaliation for reasons related to the report, even when the report turns out to be unfounded, unless malicious or grossly negligent. The protection also applies to reports made before the commencement of the employment relationship, during the selection or pre-contractual stages, during the probationary period and after the end of the relationship, if the information was acquired during it. The following are also protected:

- facilitators;
- persons in the same work environment as the Whistleblower and who are linked to them by a stable emotional or family relationship up to the fourth degree;
- employees of the Whistleblower who work in the same work environment as the Whistleblower and who have a regular and current relationship with that person;
- entities owned by the Whistleblower or for which those persons work, as well as entities operating in the same work environment as those persons.

In addition, specific modalities have been defined to ensure the secure management of the dedicated software and voice messaging system.

[G1-1 DP 10e]

To manage the reports received through the Whistleblowing system, the Head of Internal Audit constantly monitors the dedicated channels: the e-mail address for notifications of new voice messages or reports on the dedicated application and the incoming paper mail.

Receipt of each report is acknowledged to the Whistleblower within seven working days, using the channel indicated by the Whistleblower; in the event of inadmissibility, this is justified in the communication. The person in charge of the internal reporting channel has a maximum of three months within which to conclude the investigation.

Upon completion of the checks, the Head of Internal Audit formalises his assessments (see 3.1 ESRS S1 - Own Workforce, section 3.1.8 Channels, DP 32a), which are forwarded to the Chief Executive Officer of the Parent Company and, if applicable, to the Supervisory Body (SB) of the Parent Company or of the Italian-registered Subsidiary concerned, except in situations of potential incompatibility. The Human Resources Department is involved in order to define any consequential measures.

Actions

As mentioned above, the Banca Ifis Group is actively dedicated to promoting a culture of fairness and ethics among its employees, fostering positive impacts through the dissemination of corporate principles and values and supporting initiatives aimed at strengthening a solid corporate culture.

To this end, in 2024, the Group further strengthened the process of awareness and acceptance of internal regulations, including rules of conduct, rules on the use of company equipment and organisational safeguards to monitor compliance with them. The documents concerned include the Group Code of Ethics, the Group Policy for the Prevention of Corruption and the Organisational, Management and Control Models adopted pursuant to Italian Legislative Decree no. 231/2001 of each Group company.

Full acknowledgement and acceptance of the documents is required whenever they are updated or uploaded to the company intranet. In support of this obligation, a system of reminders and escalation has been put in place which, in the event of non-compliance, provides for the partial blocking of access to the intranet.

The obligation to read the regulations and training courses is an important tool to raise awareness among employees to adopt correct and transparent behaviour, contributing to the creation of a shared culture of legality. This approach represents an effective safeguard in the prevention of unlawful conduct and offences related to the company's activities, which could result in liability for the Group or its companies. The obligation is extended to all Group employees.

This functionality goes hand in hand with the constant promotion of a shared corporate culture and the dissemination of information through the publication of dedicated news items on the corporate intranet, with the aim of keeping employees up-to-date on regulatory developments, both within the Group and in the broader context. In 2024, special attention was paid to training and internal communication via the company intranet. Live streaming training sessions were promoted, focusing on Anti Money Laundering topics and the new AML regulations in force as of 2024. In addition, content relating to the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, with a focus on on-line training courses on 'Risk Prevention and Crime Governance'. In the same year, a news item published on the company intranet announced the implementation of the new whistleblowing application, dedicated to the collection of written reports.

To further strengthen the dissemination of corporate values, the Group organises compulsory courses on the Group's Code of Ethics and on the Administrative Responsibility of Entities pursuant to Italian Legislative Decree no. 231/2001. The Learning & Development Department monitors course participation, sending reminders if necessary to ensure completion of the training.

Corporate culture also takes the form of raising awareness among the corporate population on sustainability issues and commitment to these areas, in particular in 2024, several sharing events were organised to promote awareness and participation, including:

- six on-line webinars and events to discuss the regional economic context as part of the Innovation Days project in collaboration with Il Sole 24 Ore and Confindustria;
- eight events in different Italian cities as part of 'Small Giants', the Roadshow in collaboration with Forbes Italia dedicated to telling the story of small and medium-sized enterprises in Italy. Innovation, sustainability, quality and the enhancement of human capital were among the main topics covered;
- three study days organised at Villa Fürstenberg in Mestre in collaboration with the Contemporary Creativity Directorate General of the Ministry of Culture with the aim of enhancing the soft power of Made in Italy, discussing the excellence of the Italian restoration sector and stimulating debate around the topic of social commitment intertwined with the world of art and the promotion of cultural activities;
- "Emoving Business Day", B2B day reserved for industry operators with ad hoc panel on the topic of electric mobility and speech during the panel "Urban Mobility and Cycle Tourism";
- participation in the Forum Automotive, a project that brings together all the major players in the automotive supply chain (manufacturers, distributors, media) in one day in round-table discussions;
- participation in the 'EY Sustainability Summit', on environmental, economic and social sustainability. Meeting points for industry representatives and experts addressing topics such as transformations related to corporate culture, competitive strategies and operating models will be discussed in depth, examining the most innovative approaches that are being consolidated;
- 'Enhancing the value of Made in Italy through tourism: a strategy for the development of territories', an event organised in collaboration with Federturismo Confindustria to explore the balance between innovation and tradition in Italian companies, their impact on tourism and Italy's global image, and to talk about how Italy enhances its artistic, tourist and industrial resources;
- participation in the 'RCS Bike Business Forum', a B2B event aimed at the entire Italian cycling industry: sports teams, sponsoring companies, bike and component manufacturers;
- participation in the 'Credit Management Summit' event of il Sole 24 Ore to compare banks, service providers and professionals on the challenges of a changing sector, with involvement in the round table 'ESG, digital and Ai: new approaches in credit management and recovery';
- "Sport Business Forum", the international benchmark event on all topics related to the sport business, a meeting and discussion forum between sport bigwigs, companies and leading institutions of the sport system;
- 'How Italy creates economic and social value through sport', an event organised by Banca Ifis in collaboration with the Italian Embassy in the United Kingdom, with the aim of highlighting the economic value of sport in Italy, underlining the importance of its positive spin-offs for the country system and promoting international dialogue around a strategic sector such as sport.

The prevention of money laundering risk represents a further fundamental pillar in ensuring the Group's financial soundness, proper corporate culture and corporate reputation, through an active cooperation with the supervisory authorities. The Group refrains from maintaining direct or indirect relations with individuals or companies sanctioned, suspected of belonging to criminal organisations, or involved in illegal activities. In such cases, Group companies promptly initiate activities related to the reporting of suspicious transactions, cooperating fully with the authorities.

These principles are translated into specific procedures and controls in the various business areas, aimed at assigning risk to client counterparts and establishing appropriate approval levels in the corporate hierarchy. In the presence of a high risk, reinforced checks are activated and the authorisation of the Senior Management is requested. In addition, for customers classified as high-risk, stringent and frequent periodic reviews on the monitoring and updating of information are foreseen, with possible decision escalation to the maintenance of existing relationships.

The Group's Anti-Money Laundering (AML) function plays a crucial role in the prevention of money laundering and terrorist financing. Annually, it performs a risk self-assessment for all Group companies, analysing the inherent risk, the vulnerability of implemented controls and the overall residual risk, from which corrective or improvement actions are derived.

AML controls are specific to each business area and integrated into the information systems adopted by the various companies:

- Leasing: automated processes verify check-lists and negative reports, blocking practices with risk elements for enhanced verification, which may also include the involvement of the AML Department;
- Commercial credit and account products: the Cedacri registry procedures verify check-lists and negative reports while the KYC GIANOS process determines the level of money laundering risk by activating any authorisation workflows routed for approval to the appropriate hierarchical levels;
- Cap.Ital.Fin.: in GENIO, screenings are carried out on lists to identify Politically Exposed Persons (PEPs) and persons at risk of terrorism, while the CHELEO procedure calculates the risk level of customer counterparties;
- Banca Credifarma: uses the Fastcheck procedure, integrated in the AMLET customer profiling applications, to identify PEPs or risk subjects;
- Npls (Non-Performing Loans): initial checks on the acquired portfolios and subsequent checks in SICRAT are envisaged during the definition of repayment plans or settlement agreements.

Specific Level I controls are defined within the relevant organisational procedures.

The parent company's AML Department constantly supervises the effectiveness of the processes through an annual plan of second-level controls, the results of which are shared with the operating units involved and the Boards of Directors of the respective companies. Any shortcomings are managed through the CAR.SCI application, which assigns precise responsibilities and deadlines for action.

The AML Department actively contributes to mandatory anti-money laundering training, with programmes aimed both at employees in contact with customers and at the external network used by Group companies to place products. The training is delivered through classroom courses (in-person and virtual) and an e-learning module, 'The Anti-Money Laundering Discipline', delivered in Adaptive Learning mode, available on the Ifis Talent platform.

During the year, 33 training sessions were organised, specific to the different Group companies, for a total of 54 hours of training provided, involving a total of 1.322 participants. Topics include first-level controls, identification of the beneficial owner and the use of screening tools.

Further initiatives include:

- two live streaming sessions dedicated to 'Suspicious Transaction Reporting';
- training interventions within the 'Business Accelerator' programme organised by the Human Resources Department;
- general anti-money laundering training for agents in financial activities, recovery agents and recovery companies used by the Leasing BU, Cap.Ital.Fin. and the Npl sector companies.

This structured approach strengthens the system of internal controls, ensuring compliance with regulatory standards and promoting a corporate culture focused on legality and ethics.

4.1.2 Management of relations with suppliers

Group approach and policies

Suppliers play a key role for Banca Ifis, as spending decisions are guided by the principles of cost-effectiveness and efficiency in the allocation of resources. Relations with suppliers are characterised by transparency, fairness and loyalty, always in accordance with the principles laid down in the Code of Ethics adopted by the Group, in order to ensure that all collaboration develops in a fair and responsible manner.

[G1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Management of relations with suppliers				
Damages to suppliers, in particular SMEs, due to failure to meet payment deadlines	Potential negative impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 of individual companies • Group Expenditure Cycle Management Policy Sustainable Procurement Project
Improvement of suppliers' ESG performance by means of selection criteria that consider social and environmental aspects	Potential positive impact	Own operations	Medium-term	
Improving the quality of purchased products and services through a more sustainable supply chain and certified products (incorporating minimum environmental criteria)	Opportunity	Own operations	Medium-term	

Group Expenditure Cycle Management Policy

[G1-2 DP 14]

The Group Expenditure Cycle Management Policy describes the principles and guidelines for defining the process for the management of the expenditure cycle by the Parent Company and its subsidiaries. In particular, it regulates:

- the purchase of goods and services;
- purchases of real estate.

The Policy is applicable and disseminated, as far as it is applicable, to all the organisational units of the Parent Company and the companies controlled by the latter and fully complies with current regulations, in particular Legislative Decree No. 231 of 8 June 2001, the supervisory provisions for banks set out in Bank of Italy Circular 285 of 17 December 2013, as well as the supervisory provisions for financial intermediaries contained in Bank of Italy Circular No. 288 of 3 April 2015.

This Policy is approved, on the proposal of the Chief Executive Officer, by the Board of Directors of the Parent Company and subsequently implemented by the Board of Directors of the subsidiaries. The Parent Company's Chief Executive Officer submits a proposal to the Board of Directors, on the recommendation of the Co-General Manager Chief Operating Officer (COO), for any update requirements that become necessary due to changes in the regulatory and organisational environment.

Guidelines for defining supplier payment methods

[G1-2 DP 14]

Guidelines for supplier payment arrangements outline principles and guidelines to ensure timely and effective payment management, with the aim of strengthening supplier relations and promoting responsible business practices. In particular, they aim to ensure the punctuality of payments, through the adoption of precise standards and monitoring procedures designed to reduce the risk of delays that could have a negative impact on suppliers. Furthermore, the guidelines are fully aligned with the requirements of the CSRD (Corporate Sustainability Reporting

Directive) and European Regulation 852/2020, ensuring compliance with European standards and reflecting the Group's attention to sustainable and socially responsible practices.

The approach taken is based on the principles of fairness, transparency and sustainability, which are fundamental to creating a relationship of trust with suppliers. Each Group company, through its respective departments, is responsible for implementing the provisions of the guidelines, ensuring their consistent and integrated application in the management of payments to suppliers.

Actions

[G1-2 DP 15a,b]

The Banca Ifis Group manages relations with suppliers through a structured framework of internal procedures and policies, including the Group Expenditure Cycle Management Policy and the Corporate Goods and Services Procurement Management Organisational Procedure, both updated in 2024. These ensure transparency, sustainability and full regulatory compliance. Each contract, in accordance with the Organisational Procedure for the Procurement of Company Goods and Services, requires adherence to the binding principles of the Group's Code of Ethics, breach of which may entail termination of the contract and claims for damages.

The selection of suppliers is managed by the Procurement & Cost Management Department, which deals with the selection, appointment and commercial relations, using appropriately trained staff to ensure effective monitoring and relationship management based on transparency, dialogue and collaboration.

The Group promotes equal opportunities in the selection of suppliers, preventing potential conflicts of interest and encouraging compliance with ethical and regulatory standards, including the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and the provisions on outsourcing.

As a result of the double materiality assessment, the Group identified specific areas of focus within the supply chain, including supporting SMEs, particularly at the payment stage, and creating joint paths with suppliers to improve their ESG performance. These initiatives take the form of the analysis of social and environmental criteria and their implementation through the 'Sustainable Procurement' project (implemented by the Procurement & Cost Management Department taking into account the exclusions provided for in the relevant internal regulations), described in detail in relation to workers in the value chain (see ESRS 3.2 S2 - Workers in the value chain, section 3.2.1 Rights related to workers in the value chain, DP 34b). The main objective of the project is to set up a path to monitor the ESG performance of the most relevant suppliers through the administration of a dedicated questionnaire.

In addition, the management of risks associated with major contracts involves the Risk Management function and the Operational Risks unit, which perform targeted audits and submit annual reports to strategic management, enabling timely corrective action to be taken where necessary.

[G1-2 DP 15b]

With regard to the appointment of suppliers to Banca Ifis, this selection takes place through a rigorous process, which assesses criteria such as honourableness, fairness, business loyalty and the ability to comply with the obligations set out in the Code of Ethics and confidentiality rules. The supplier's sensitivity to social, environmental and corporate responsibility issues, in relation to the nature of the service offered, is also taken into account. The main evaluation factors include competitiveness, quality, utility, price, integrity, economic soundness and the ability to provide effective and continuous assistance.

Furthermore, in order to prevent the negative impact of damage to suppliers, particularly SMEs, caused by the failure to meet payment deadlines, the Operating Note - Management of the invoice recording and payment process (expenditure cycle) was adopted for Banca Ifis, in line with the Group Policy for the management of the expenditure cycle described above, which regulates activities relating to the management of supplier payments.

In particular, the liability cycle management process, applicable to Banca Ifis, Ifis Npl Investing and Npl Servicing, consists of two main phases:

1. invoice solvency verification: the manager or contact person of the organisational unit that received the good or service (often coinciding with the Centre of Responsibility for Expenditure) manages the verification of the invoices provided. These can be consulted directly in the system, if it has the relevant access rights, or received by e-mail from the Invoices Payments Department. If the invoice conforms to the good or service received and the cost is in line with what was agreed, the manager approves the invoice in the system, authorising payment. Otherwise, the person responsible may take the following actions:
    a) not approve the invoice, reporting the error to the Invoices Payments Department and entering a note with the reasons for rejection in the system;
    b) approve it for prepayments, at the instruction of the Invoices Payments Department, to conclude the authorisation cycle without generating a new payment. In that case, the authorisation is filed in the accounting record;
    c) contact the supplier to obtain any amending documents (e.g. credit notes), and then authorise the payment after informing the Invoices Payments Department and archiving the supporting documentation in the system.
2. Payment of supplier invoices: the Invoices Payments Department, at least twice a week, extracts the list of authorised and due invoices from the system, and proceeds to generate the payment flow. Invoices for which a credit note from the supplier is still pending are excluded from the flow. From time to time, the department monitors overdue invoices that have not yet been paid, checking their causes (e.g. waiting for a credit note or lack of approval). In the case of overdue invoices without approval, the department urges the applicant to complete the authorisation process promptly.

The payment flow generated by the SAP management system is audited by the Head of the Invoices Payments Department or the Head of the Procurement & Cost Management Department the day after execution. During this phase, the amount of payments is checked against the data recorded in the FEU management system. Any discrepancies are corrected and the flow is subsequently validated, generating a payment order. This provision, once approved by the Operations structure, authorises the execution of transfers to suppliers, in accordance with the amounts indicated in the invoices.

At the end of the process, the Operations department archives the payment orders and the documentation relating to the execution of transfers (e.g. payment accounts). This process of recording and paying invoices is applied uniformly to all suppliers of Banca Ifis.

In addition to this, through the 'guidelines for defining supplier payment methods' Banca Ifis adopts an approach based on fairness, transparency, sustainability and ethical responsibility in the management of payments to suppliers, recognising their importance in building relationships of trust and ensuring lasting collaboration.

Timeliness of payments is ensured through clear standards, monitoring procedures and transparent communication of payment terms in each contract. In addition, the Bank promotes an ongoing dialogue with suppliers to resolve any doubts and improve processes. This commitment is part of a broader corporate social responsibility, considering compliance with payment terms not just an operational issue, but a core value to support ethical and responsible business practices.

4.1.3 Corruption and bribery

Group approach and policies

Preventing the risk of corruption and bribery is a key priority for the Banca Ifis Group. In order to effectively combat the perpetration of bribery and corruption offences, the Group companies that have appointed a Supervisory Body have adopted the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, together with the guidelines outlined in the Group Code of Ethics. These tools are essential to ensure the integrity of business operations and promote a culture of transparency and accountability within the Group.

[G1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Corruption and bribery				
Contribution to the dissemination of a culture of fairness and ethics among employees through the provision of training programmes for employees and partners and the communication of company policies	Actual positive impact	Own operations	Medium-term	• ESG Policy • Group Code of Ethics • Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001 • Employee training • Specific safeguards for the Group's agents • Anti-corruption policy
Occurrence of corruption episodes to the detriment of the market and the community	Potential negative impact	Own operations	Medium-term	
Sanctions for convictions related to financial crime activities (e.g. money laundering, sanctions violations, corruption and bribery)	Risk	Own operations	Short-term	
Improving reputation by investing in the development of innovative tools to manage, monitor and prevent corruption and bribery	Opportunity	Own operations	Medium-term	

Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001

[G1-1 DP 7 MDR-P]

The Banca Ifis Group has adopted the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001 (OMM), to ensure transparency, correctness and protection of its institutional role, its image and the interests of shareholders and collaborators, as well as of all stakeholders with whom Group companies enter into relations in order to ensure the pursuit of its corporate purpose in a lawful and virtuous manner. The OMM includes principles, rules and organisational schemes aimed at controlling and monitoring sensitive activities in order to prevent offences under the legislation, such as corruption, corporate offences, environmental offences, accidents at work, exploitation of persons and tax offences. The Model, aligned with the best practices and guidelines of the Italian Banking Association (ABI) and Confindustria, represents a key element of the Group's preventive control system.

The rules contained in the OMM are aimed at:

- persons in positions of representation, administration or management of the company;
- persons exercising management and control over the company;
- all employees of the company subject to the direction or supervision of the persons referred to above;

- self-employed workers, consultants, professionals, partners (commercial/financial), suppliers, attorneys and, in general, third parties operating on behalf of or in the interest of the company, limited to what is specifically indicated in the relevant contractual agreements.

In June 2024, the members of the Parent Company's Board of Directors approved the update of Banca Ifis's OMM, in compliance with the external regulatory changes that had occurred and the organisational changes, which also contains the provisions relating to the prevention of the risk of perpetration of bribery and corruption offences. The board members of the subsidiaries approved their respective models in July 2024.

As far as suppliers, business partners and external networks are concerned, one of the safeguards adopted to guarantee the integrity of their conduct is the obligation to comply with the Code of Ethics and the OMM when signing the contract, in accordance with the precise indications of the relevant internal regulations.

OMMs are updated in accordance with internal regulations, which define roles and responsibilities for audit and compliance activities. To this end, the Bank has adopted a specific operational note governing the procedures for updating the OMM, distinguishing between changes resulting from external regulatory changes, internal changes or the detection of violations.

In the course of 2024, the Parent Company's OMM was updated to adapt the 'General Section' and 'Special Section' to recent legislative changes, with particular reference to the amendments to Legislative Decree no. 231/2001 and the related predicate offences introduced by the following regulations:

- Law 137/2023 on auction rigging and fraudulent transfer of valuables;
- Law 90/2024, on cybersecurity;
- Legislative Decree 114/2024, concerning trafficking in unlawful influence and abuse of office;
- Legislative Decree 141/2024 on smuggling.

The changes have also been incorporated into the OMMs of the Group's subsidiaries, ensuring alignment with regulatory updates and uniform application of the provisions.

The updated version of the OMM, for the 'General Part' only, of Banca Ifis and the Group companies is available on the corporate website of Banca Ifis and, where present, on the independent corporate websites of the individual Group companies. Through these portals, it is also possible to access the entire regulatory and documentary compendium that constitutes an integral part or accessory element of the Model. The full OMMs are made available on the company intranet.

[G1-1 DP 10g]

In order to ensure the effective implementation of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 of Banca Ifis and the Group's companies, the rules and safeguards required by the Bank are adequately disseminated and shared with all recipients, since knowledge of the Model is an essential prerequisite for its correct application and for the accountability of all those who work or collaborate with the Group. This prevents improper or unlawful conduct, whether intentional or negligent, from being justified due to ignorance or misinterpretation of the Model itself or of internal regulations. For the proper functioning of the OMM, communication and staff training are essential requirements, which must be adapted to the different categories of recipients: from general employees to those working in risk areas or sensitive activities, up to members of corporate bodies. This ensures that each individual fully understands his or her responsibilities and actively contributes to the proper application of the OMM.

This commitment takes the form of a structured training plan, which includes courses and in-depth studies on various topics relevant to corporate culture. In order to ensure constant updating also in terms of training, the Compliance Department, as part of its regulatory monitoring activities, informs the structures concerned of relevant regulatory developments, initiating the process of monitoring and implementing changes as governed by the relevant internal regulations.

The training provided, in addition to being a regulatory obligation, is a fundamental tool for increasing staff awareness and culture, strengthening their ability to prevent the risk of the Bank's unwitting involvement in inappropriate or unlawful behaviour.

Anti-Corruption Policy

[G1-1 DP 7 MDR-P]

During the year, Banca Ifis decided to adopt a new policy for the prevention of corrupt conduct in the performance of its companies' activities. In particular, the Policy defines the general principles on the fight against corruption to which all Group activities must be informed, identifies the operational areas most exposed to the 'risk of corruption', and sets out the controls and organisational measures that make it more difficult for it to materialise.

The Policy expressly recalls the regulatory sources and intervenes on a matter already regulated by the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 of the parent company, whose structure it incorporates. The three different levels of control, in addition to the Supervisory Body (SB) insofar as they are of relevance pursuant to Legislative Decree no. 231/2001, continuously monitor this Policy with a view to ensuring its effective implementation. Updates and amendments to the Policy are the responsibility of the General Counsel Department, which acts in coordination with the control functions and in accordance with the indications of the Supervisory Body in the area of 231/2001.

The Policy is fully compliant with Italian regulations on corruption and illegality, complying with the provisions set out in the Criminal Code (Royal Decree no. 1398 of 19 October 1930), the Civil Code (Royal Decree no. 262 of 16 March 1942), Law 190/2012 (the 'Severino Law') and Legislative Decree 231/2001.

The document applies to all Group employees, members of corporate bodies, collaborators, consultants, suppliers and business partners, is disseminated on the company intranet, published on the company website and approved by the Board of Directors.

[G1-1 DP 10h]

The areas of the Banca Ifis Group identified as most exposed to potential corruption events include:

- Chief Commercial Officer (CCO) Department, with particular reference to the departments involved in the credit disbursement process;
- General Counsel Department;
- Privacy & Security Department, responsible for legal, privacy and security aspects;
- Human Resources Department, involved in the management of human resources and staff policies;
- control departments, involved in monitoring regulatory compliance and risks;
- Procurement & Cost Management Department, in charge of managing the company's procurement and costs;
- functions dedicated to the purchase and sale of Npl portfolios, dealing with non-performing credit transactions;
- functions involved in the Npl debt collection process, which are essential for the management of impaired loans;
- Sustainability Committee, involved in overseeing corporate sustainability initiatives.

Actions

Banca Ifis strives to prevent potential negative impacts arising from episodes of corruption, safeguarding the market and the community, and to promote a positive impact through the dissemination of a culture of fairness and ethics through the provision of dedicated training programmes for employees and partners, coupled with transparent and constant communication of corporate policies. To mitigate the risks associated with sanctions from financial crime-related activities, such as money laundering, violations of sanctions regulations and corruption, the Group invests in the development of innovative tools to manage, monitor and prevent these phenomena. It also aims to enhance its reputation through concrete initiatives that strengthen corporate integrity.

The Group provides specific training programmes aimed at raising awareness of ethical principles and corporate values, helping to strengthen awareness and a sense of responsibility at all levels. In a parallel fashion, it ensures clear and accessible communication of its policies, ensuring that all stakeholders, internal and external, are informed and aligned with the highest standards of ethical behaviour.

This integrated approach promotes relationships based on trust and integrity, consolidating a corporate culture oriented towards sustainability and respect for shared values.

[G1-3 DP 18a]

The Parent Company's OMM, adopted for the prevention of the risk of perpetration of bribery and corruption offences, provides for the following offences of a corrupt nature:

- concussion;
- bribery of office;
- corruption for an act contrary to official duties;
- corruption in judicial proceedings;
- undue inducement to give or promise money or other advantages and corruption;
- incitement to corruption;
- corruption between private individuals;
- solicitation to commit corruption between private individuals;
- embezzlement;
- embezzlement by means of profiting from a third party error;
- trafficking of unlawful influences.

[G1-3 DP 18b]

In particular, the OMM specifies that the control structures are the second and third level control functions and the Board of Statutory Auditors. Together with these structures, the figure of the Supervisory Body with autonomous powers of initiative and control is also identified.

Banca Ifis Group's internal control system consists of rules, procedures and organisational structures aimed at ensuring, among other things, adherence to the business strategies, the effectiveness and efficiency of processes, and compliance of operations with the law, supervisory regulations, and the policies, procedures and codes of conduct adopted by the Group. All business operations, where envisaged, are subject to audits by the functions or business Areas that own the various processes and operations (line controls or first line of defence), as well as by second line of defence functions (Risk Management, Compliance and Anti-Money Laundering) and third line of defence functions (Internal Audit).

The Risk Management function identifies the risks the Parent and the Group companies are exposed to and measures and monitors them on a regular basis through specific risk indicators, planning potential actions to mitigate material risks. Risk Management regularly reports to corporate bodies on its operations through the Dashboard - as well as, if required, to the Bank of Italy and Consob (Italy's stock market watchdog). The Group's overall risk governance and management structure is governed by the Risk Appetite Framework (RAF) and the relevant documents, which are constantly updated based on the evolution of the Group's strategic framework. Specifically, the Group has prepared a Taxonomy of Risks describing how it identifies the existing and/or potential risks the Group could be exposed to in pursuing its strategic goals as well as the tools for preventing and mitigating each type of risk.

The audit work performed by the Compliance Department seeks to evaluate the effectiveness of the required, proposed or implemented organisational measures intended to manage the risk of non-compliance. Therefore, these audits apply to all areas for which said risk exists. The audit findings are formally presented in reports shared with the relevant business structures, which must provide feedback on the remedial actions identified and the relevant implementation time line. The function monitors compliance with these requirements and regularly reports to the corporate bodies through the Dashboard - as well as, if required, to the Bank of Italy and Consob. It operates with an ex-ante approach, advising the business on identified regulatory areas, and ex-post, conducting compliance audits.

The Anti-Money Laundering Department performs systematic second line of defence audits concerning the risk of money-laundering and terrorist financing to ensure the relevant procedures are properly applied to operational processes, and develops Key Risk Indicators representing the most significant risk factors to be monitored. It also performs a self-assessment of the risk of money laundering and terrorist financing once a year. The function shares the audit findings and the action plan with the relevant Management. These audits and indicators are also displayed in the Dashboard on a quarterly basis and reported to the Board of Directors as well as, if required, to the Bank of Italy.

Finally, Internal Audit controls, with a view to assuring level three audits, the regular performance of operations and the evolution of business risks and assesses the completeness, adequacy, function and reliability of the organisational structure and the various components of the Internal Control System. The review carried out by the Internal Audit function is transversal to all corporate processes. In order to identify any abnormal performance or breach of internal regulations and assess the function of the Internal Control System as a whole, the function is assigned responsibility for verifying the correct application of internal provisions. The Internal Audit Department operates on the schedule approved by the Board of Directors; in addition to this, it also performs unplanned audits as specifically necessary and/or required by the main corporate bodies or external supervisory bodies. The results of the audits are shared with the reference organisational unit and with the level two audit functions and then sent to the Board of Statutory Auditors and the Control and Risks Committee. The Internal Audit function also reports back regularly to the corporate bodies, also by presenting specific summary reports (Annual reports and Quarterly Dashboards) that, if required, are also submitted to the Bank of Italy or Consob. The audit cycle, as required by the supervisory regulations, is three years and includes audits of all major business processes.

The Supervisory Body established pursuant to Italian Legislative Decree no. 231/2001 concerning the administrative liability of Entities, operates as an autonomous body responsible for supervising the effectiveness, observance and updating of Organisational, Management and Control Models suitable for preventing the offences considered in Italian Legislative Decree no. 231/2001.

[G1-3 DP 18c]

The process of reporting results to the administrative, management and supervisory bodies is divided into several stages and provides that:

- the Chairman of the Supervisory Body, or a designated member, reports to the Board of Directors at the first useful meeting on the activities carried out and on any use of financial autonomy. At least once a year, the Supervisory Body submits a detailed report on its activities and a plan of activities;
- the Chairman of the Supervisory Body, if necessary, assesses whether to provide extraordinary updates;
- the second- and third-level control functions transmit to the Supervisory Body, once they have been shared with the Board of Directors, extracts of the annual plans and reports on the activities carried out, for matters of interest to the Body. The Supervisory Body may also promote coordination meetings with the Supervisory Bodies of the subsidiaries.

The OMM and the relevant internal rules describe the information flows to the Supervisory Body, which are essential to facilitate supervision of the effectiveness and application of the Model by the body itself, as well as to be informed of conduct contrary to the behavioural principles set out in the OMM, the Group Code of Ethics and the Group Policy for the prevention of corruption.

Heads of structures must ensure the concrete implementation of the controls and rules of conduct of the OMM. In addition, all recipients of the Model must report any unlawful conduct to the Supervisory Body or to Internal Audit, in line with the Group Policy for the Management of Reports of Violations (Whistleblowing), even if not directly attributable to predicate offences under Legislative Decree no. 231/2001.

[G1-3 DP 20]

All employees are required to know and comply with the rules of conduct set forth in the OMMs and dedicated Group Policy on the fight against corruption, potential sensitive activities as well as the main structures and safeguards put into place in terms of policies, internal rules, and control structures. In addition, all the Group's employees can access internal regulations, and specifically the Group Code of Ethics, the Organisational and Management Model, and the relevant protocols and procedures using the company Intranet. The Group ensures that all employees receive adequate training on the anti-corruption policies and procedures set out in the OMM and the Code of Ethics. The Board of Directors of the Parent Company and the Boards of Directors of the subsidiaries, when approving/receiving the Group Code of Ethics and approving the OMMs, are made aware of the anti-corruption procedures adopted.

[G1-3 DP 21a]

Within the Ifis Talent platform, which can be accessed by all employees of Italian companies, two e-learning courses for compulsory training are available. Both courses include a final test, the passing of which is binding for the successful completion of the course. The courses made available on the platform are: "The Banca Ifis Code of Ethics", detailing the principles of conduct in relations with employees, collaborators and other stakeholders, as well as the tools for implementing and supervising the Code of Ethics, and "Prevention and governance of crime risk", based on the general principles identified by Italian Legislative Decree no. 231/2001.

In November 2024, an updated version of the course 'Crime Risk Prevention and Governance' based on Adaptive Learning technology was made available in Ifis Talent. This innovative approach enables faster and more focused learning, maximising results. First, the user is offered an initial test that assesses the level of knowledge of each topic. The test results determine which modules each user will have to attend, depending on the type of questions not answered correctly in the initial test, with the exception of some contents that must necessarily be attended as they are impacted by new regulations. Finally, once the proposed modules have been completed, a final test is proposed on all topics, with a minimum threshold for passing.

The course on “Prevention and governance of the risk of crime (Legislative Decree 231/2001), covers, first and foremost, the salient features of administrative liability of entities, namely:

- the nature of the liability of entities for offences;
- the recipients of the framework;
- Organisational, Management and Control Model as per Italian Legislative Decree no. 231/2001;
- the Supervisory Body;
- the sanction system.

In addition, the Training Module covers all offences under the 231/2001 matrix, with a special focus on those with the greatest relevance for the banking-financial sector, and also offers an in-depth look at Whistleblowing.

Whereas, with regard to the Group Code of Ethics, the e-learning course deals with principles of conduct in relations with employees, collaborators and other stakeholders. This course consists of four sections:

- an introductory section on principles, values and responsibilities, including addressees;
- the principles of conduct in relations with employees and collaborators;
- the principles of conduct in relations with other stakeholders, i.e. with customers, suppliers, debtors and in particular with the Public Administration, including the organisational safeguards adopted;
- the tools for monitoring compliance with the Code of Ethics, including the internal reporting system for violations (whistleblowing).

For the employees of foreign companies, two on-line training sessions were organised to deepen their understanding of the Code of Ethics, with a structure that mirrors what was proposed in the relevant e-learning course.

[G1-3 DP 21b]

In line with this, 100% of the corporate functions at risk are involved in training activities, including those dedicated to preventing and combating corruption.

[G1-3 DP 21c]

To date, the Banca Ifis Group has not provided specific training modules on corruption-related offences reserved for Directors. The members of the Board of Directors are made aware of the measures implemented on the matter when approving the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and the Code of Ethics.

4.1.4 Political inflence and lobbying activities

Group approach and policies

[G1-1 DP 7]

As formalised within the ESG Policy (see 2.2 ESRS E1 - Climate Change, section 2.2.2 Energy, Climate Change Adaptation and Mitigation, DP 25), the Banca Ifis Group is committed to not making political contributions in any tangible or intangible form.

[G1.SBM-3 DP 48a]

IRO description	IRO category	Connection with value chain	Time horizon	Main approaches to dealing with IROs
Political influence and lobbying activities				
Participation in organisations dealing with political causes with negative impacts related to corruption, bribery, undue influence on public opinion and the political process	Potential negative impact	Own operations	Short-term	• ESG Policy • Group Code of Ethics • Participation in the work of industry associations

Actions

The Group participates in the work of industry associations in which it is active in order to promote efficient and sustainable development. In particular, it adheres, among others: to the Italian Banking Association (ABI), which promotes the culture of legality and sound and prudent banking management; to the Italian Factoring Association (Assifact), which represents the factoring industry in Italy and Europe to monitor and accompany major market and regulatory changes; and to the Italian Leasing Association (Assilea), which represents leasing companies at industry organisations operating in various institutional, national and international fora. In carrying out these activities, appropriate safeguards are identified to ensure consistency with the Group's defined sustainability values and principles, with particular reference to climate change issues. The activities described above do not in any way correspond to lobbying activities nor are they intended to exert political influence.

It is also specified that with regard to political contributions, including donations and other handouts, these are prohibited in any tangible or intangible form. In particular, political parties and movements and their organisational branches, trade unions and patronage organisations, clubs, associations and recreational groups, private, officially recognised and/or legally recognised schools cannot be recipients of disbursements, except for specific initiatives of particular social, cultural or scientific importance, which must in any case be approved.

4.1.5 Targets

[ESRS 2 DP 72 MDR-T]

At present, there are no measurable, outcome-oriented targets set in relation to the impacts, risks and opportunities associated with business conduct-related areas. Despite the absence of such targets, Banca Ifis monitors the effectiveness of its sustainability policies and actions. This monitoring takes place through structured processes, including the Whistleblowing system available to Banca Ifis's internal and external stakeholders. This system makes it possible to report and assess any conduct that does not comply with the values and principles of business conduct, ensuring transparency, integrity and effective control over adherence to the company's ethical and regulatory standards.

4.1.6 Metrics

In the governance metrics reporting process, Banca Ifis actively collaborated with the relevant corporate departments, ensuring a specialised and targeted contribution in their respective fields. The methodologies and assumptions adopted underlying the calculation of the reported quantitative data comply with the European Sustainability Reporting Standards (ESRS) and applicable regulations.

[G1-4 DP 24a]

In 2024, there were no cases of corruption or legal proceedings brought against the employees of the Group or the external networks. In addition, no convictions or fines were reported for violations of regulations against corruption and bribery. This result testifies to the effectiveness of the management system adopted by the Banca Ifis Group, which has not even been subject to legal action for anti-competitive behaviour, antitrust violations or monopolistic practices.

[G1-4 DP 24b]

Number and percentage of employees who received training on the fight against corruption, divided up by category	UoM	2024
Senior managers	No.	57
	%	58
Middle managers	No.	511
	%	78
Clerical staff	No.	987
	%	78
Total	**No.**	**1.555**
	%	**77**

[G1-4 DP 25d]

As in the previous year, during 2024 there were no incidents of corruption or legal cases brought against the employees of the Group or the external networks.

[G1-5 DP 29b,bi,bii]

As described above and in line with previous years, the Group reaffirms its commitment not to make political contributions in any form, whether tangible or intangible. No political contributions were made in 2024, neither financial nor in kind.

[G1-5 DP 29a,c,d]

Therefore, there are no representatives of the administration, management and supervisory bodies in charge of supervising political influence activities, as these activities are not implemented by Banca Ifis on any topic. Furthermore, it should be noted that the Group is not registered in any transparency register.

[G1-6 DP 33a,b,c]

The Banca Ifis Group stands out with regard to the average invoice payment time (25 days), calculated from the start of the legal or contractual deadline of the invoice.

The standard terms adopted are 30 days from the end of the month in which the invoice is issued, a practice applied to most contracts as well as further customised terms with individual suppliers.

However, some of the bureaucratic and accounting formalities required to register individual transactions on digital application systems generate a slight payment delay in many cases, which negatively affects the result of the alignment of payments to payment deadlines (compliance with deadlines in 46% of cases).

The approach adopted by Banca Ifis, characterised by transparency and accountability, is reflected in the absence of pending legal proceedings related to late payments, confirming a timely and reliable management of financial commitments.

[G1-6 DP 33a]

Average number of days to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated	UoM	2024
	No.	25

[G1-6 DP 33b]

Percentage of payments aligned with standard payment terms	UoM	2024
	%	46

[G1-6 DP 33c]

Number of legal proceedings outstanding for late payments	UoM	2024
	No.	0

[G1-6 DP 33d]

For the calculation of the Banca Ifis Group's payment practices, performed at the consolidated level for the reporting year 2024 (1 January - 31 December), the sampling used includes:

- all invoices issued to suppliers by each Ifis Group company during the reporting period;
- invoices issued to Italian, EU and non-EU suppliers.

The following were excluded from the sample:

- invoices and payments between companies belonging to the Banca Ifis Group;
- suppliers that do not qualify as SMEs (e.g. the Bank of Italy or natural persons);

- invoices for professionals, as they do not fall into the SME category;
- transfers and credit notes.

5. Other sustainability information

5.1 Disclosures pursuant to Article 8 of Delegated Regulation (EU) 2020/852 (Taxonomy Regulation)

5.1.1 Annex VI to Delegated Regulation (EU) 2021/2178

All amounts published within the Templates provided for in Annex VI and XII of Delegated Regulation 2021/2178 are expressed in million/Euro and in percentage values. If the data for a specific exposure category is equal to 0, the corresponding cell within the Reference template is filled with a dash ('-'). If, on the other hand, a value greater than 0 is associated with a particular cell, but cell is not visible in percentage terms or in millions of Euro (because it is a small percentage/amount), the corresponding cell in the templates below is set to '0,0'.

In addition, the Taxonomy Templates given below, in particular the row and column headings, refer to NFRD undertakings, currently CSRD undertakings (due to the entry into force of EU Directive 2022/2464). Ifis Group, in order to ensure consistency with the representation set out in Annex VI of the EU Delegated Regulation 2021/2178, has not changed the row and column headings of the Templates, leaving the wording "NFRD undertakings" unchanged.

Finally, with reference to the reporting templates below and related to FY 2023, as required by the regulations, only the columns related to Climate Change Mitigation (CCM), Climate Change Adaptation (CCA) and Total (CCM + CCA) objectives are represented.

Template 1. Assets for the calculation of GAR – Capex based [FY 2024]

Million EUR	Total [gross] carrying amount	31/12/2024 Climate Change Mitigation (CCM)					31/12/2024 Climate Change Adaptation (CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy -aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3.522,7**	**660,1**	**143,6**	**-**	**2,8**	**73,9**	**8,7**	**1,2**	**-**	**0,1**
Financial undertakings	**818,3**	**228,1**	**31,2**	**-**	**0,9**	**20,8**	**2,0**	**0,4**	**-**	**0,1**
Credit institutions	**642,5**	**141,4**	**11,2**	**-**	**0,9**	**2,4**	**0,4**	**0,2**	**-**	**0,1**
Loans and advances	73,2	11,5	1,1	-	0,3	0,3	0,0	0,0	-	-
Debt securities, including UoP	557,3	127,0	9,8	-	0,6	1,9	0,4	0,1	-	0,1
Equity instruments	12,0	2,9	0,4		0,0	0,1	0,0	0,0		0,0
Other financial corporations	**175,8**	**86,6**	**20,0**	**-**	**0,0**	**18,4**	**1,6**	**0,2**	**-**	**-**
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-
of which insurance undertakings	3,6	0,8	0,1	-	-	-	0,6	0,1	-	-
Loans and advances	1,9	0,6	0,1	-	-	-	0,4	0,0	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,7	0,3	0,1		-	-	0,2	0,1		-
Non-financial undertakings	**577,5**	**260,3**	**100,8**	**-**	**1,8**	**53,1**	**6,7**	**0,9**	**-**	**0,0**
Loans and advances	443,8	207,0	72,3	-	1,1	45,7	2,4	0,6	-	0,0
Debt securities, including UoP	76,3	31,5	14,5	-	0,2	4,4	4,2	0,3	-	0,0
Equity instruments	57,3	21,8	14,0		0,6	3,0	0,1	0,0		0,0
Households	**2.126,9**	**171,7**	**11,6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	118,5	118,5	11,6	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	53,3	53,3	-	-	-					
Local government financing	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.913,5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial and Non-financial undertakings	**5.707,6**									
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.553,6									
Loans and advances	5.421,1									
of which loans collateralised by commercial immovable property	185,9									
of which building renovation loans	-									
Debt securities	35,5									
Equity instruments	97,0									
Non-EU country counterparties not subject to NFRD disclosure obligations	154,1									
Loans and advances	150,6									
Debt securities	1,0									
Equity instruments	2,4									
Derivatives	**7,4**									
On demand interbank loans	**279,9**									
Cash and cash-related assets	**0,0**									
Other categories of assets (e.g. goodwill, commodities, etc.)	**1.918,6**									
Total GAR assets	**11.436,2**	**660,1**	**143,6**	**-**	**2,8**	**73,9**	**8,7**	**1,2**	**-**	**0,1**
Assets not covered for GAR calculation	**2.650,2**									
Central governments and Supranational issuers	**2.345,0**									
Central banks exposure	**293,2**									
Trading book	**12,1**									
Total assets	**14.086,4**	**660,1**	**143,6**	**-**	**2,8**	**73,9**	**8,7**	**1,2**	**-**	**0,1**
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-
Financial guarantees	121,7	-	-	-	-	-	-	-	-	-
Assets under management	**-**	-	-	-	-	-	-	-	-	-
Of which debt securities	**-**	-	-	-	-	-	-	-	-	-
Of which equity instruments	**-**	-	-	-	-	-	-	-	-	-

Million EUR	Total [gross] carrying amount	31/12/2024				31/12/2024				31/12/2024			
		Water and marine resources (WTR)				Circular Economy (CE)				Pollution (PPC)			
		Of which towards taxonomy-relevant sectors (Taxonomy- eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which transitional	Of which enabling			Of which transitional	Of which enabling			Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3.522,7**	**3,4**	**2,9**	**-**	**0,0**	**3,3**	**0,0**	**-**	**-**	**0,4**	**0,0**	**-**	**-**
Financial undetakings	**818,3**	**0,0**	**-**	**-**	**-**	**1,3**	**-**	**-**	**-**	**0,0**	**-**	**-**	**-**
Credit institutions	**642,5**	**0,0**	**-**	**-**	**-**	**0,1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	73,2	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	557,3	0,0	-	-	-	0,1	-	-	-	-	-	-	-
Equity instruments	12,0	0,0	-		-	0,0	-		-	-	-		-
Other financial corporations	**175,8**	**0,0**	**-**	**-**	**-**	**1,2**	**-**	**-**	**-**	**0,0**	**-**	**-**	**-**
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-	-		-
of which insurance undertakings	3,6	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	1,9	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,7	-	-		-	-	-		-	-	-		-
Non-financial undertakings	**577,5**	**3,4**	**2,9**	**-**	**0,0**	**2,0**	**0,0**	**-**	**-**	**0,4**	**0,0**	**-**	**-**
Loans and advances	443,8	3,4	2,9	-	0,0	0,3	0,0	-	-	0,3	0,0	-	-
Debt securities, including UoP	76,3	-	-	-	-	1,5	0,0	-	-	-	-	-	-
Equity instruments	57,3	0,0	-		-	0,2	-		-	0,0	-		-
Households	**2.126,9**					**-**	**-**	**-**	**-**				
of which loans collateralised by residential immovable property	118,5					-	-	-	-				
of which building renovation loans	-					-	-	-	-				
of which motor vehicles loans	53,3												
Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.913,5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial and Non-financial companies	**5.707,6**												
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.553,6												
Loans and advances	5.421,1												
of which loans collateralised by commercial immovable property	185,9												
of which building renovation loans	-												
Debt securities	35,5												
Equity instruments	97,0												
Non-EU country counterparties not subject to NFRD disclosure obligations	154,1												
Loans and advances	150,6												
Debt securities	1,0												
Equity instruments	2,4												
Derivatives	**7,4**												
On demand interbank loans	**279,9**												
Cash and cash-related assets	**0,0**												
Other categories of assets (e.g. goodwill, commodities, etc.)	**1.918,6**												
Total GAR assets	**11.436,2**	**3,4**	**2,9**	**-**	**0,0**	**3,3**	**0,0**	**-**	**-**	**0,4**	**0,0**	**-**	**-**
Assets not covered for GAR calculation	**2.650,2**												
Central governments and Supranational issuers	**2.345,0**												
Central banks exposure	**293,2**												
Trading book	**12,1**												
Total assets	**14.086,4**	**3,4**	**2,9**	**-**	**0,0**	**3,3**	**0,0**	**-**	**-**	**0,4**	**0,0**	**-**	**-**
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-	-	-	-
Financial guarantees	121,7	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	**-**	-	-	-	-	-	-	-	-	-	-	-	-
Of which debt securities	**-**	-	-	-	-	-	-	-	-	-	-	-	-
Of which equity instruments	**-**	-	-	-	-	-	-	-	-	-	-	-	-

Million EUR	Total [gross] carrying amount	31/12/2024				31/12/2024				
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards taxonomy-relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3.522,7**	**0,4**	**-**	**-**	**-**	**676,3**	**147,8**	**-**	**2,8**	**74,0**
Financial undertakings	**818,3**	**0,0**	**-**	**-**	**-**	**231,4**	**31,6**	**-**	**0,9**	**20,9**
Credit institutions	**642,5**	**-**	**-**	**-**	**-**	**141,9**	**11,4**	**-**	**0,9**	**2,5**
Loans and advances	73,2	-	-	-	-	11,6	1,1	-	0,3	0,3
Debt securities, including UoP	557,3	-	-	-	-	127,4	9,9	-	0,6	2,0
Equity instruments	12,0	-	-		-	3,0	0,4		0,0	0,1
Other financial corporations	**175,8**	**0,0**	**-**	**-**	**-**	**89,4**	**20,2**	**-**	**0,0**	**18,4**
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-
of which insurance undertakings	3,6	-	-	-	-	1,4	0,2	-	-	-
Loans and advances	1,9	-	-	-	-	0,9	0,1	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,7	-	-		-	0,5	0,1		-	-
Non-financial undertakings	**577,5**	0,4	-	-	-	273,2	104,6	-	1,8	53,1
Loans and advances	443,8	0,4	-	-	-	213,9	75,9	-	1,1	45,7
Debt securities, including UoP	76,3	-	-	-	-	37,1	14,8	-	0,2	4,4
Equity instruments	57,3	0,0	-		-	22,3	14,0		0,6	3,0
Households	**2.126,9**					171,7	11,6	-	-	-
of which loans collateralised by residential immovable property	118,5					118,5	11,6	-	-	-
of which building renovation loans	-					-	-	-	-	-
of which motor vehicles loans	53,3					53,3	-	-	-	-
Local government financing	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.913,5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial and Non-financial undertakings	**5.707,6**									
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.553,6									
Loans and advances	5.421,1									
of which loans collateralised by commercial immovable property	185,9									
of which building renovation loans	-									
Debt securities	35,5									
Equity instruments	97,0									
Non-EU country counterparties not subject to NFRD disclosure obligations	154,1									
Loans and advances	150,6									
Debt securities	1,0									
Equity instruments	2,4									
Derivatives	**7,4**									
On demand interbank loans	**279,9**									
Cash and cash-related assets	**0,0**									
Other categories of assets (e.g. goodwill, commodities, etc.)	**1.918,6**									
Total GAR assets	**11.436,2**	**0,4**	**-**	**-**	**-**	**676,3**	**147,8**	**-**	**2,8**	**74,0**
Assets not covered for GAR calculation	**2.650,2**									
Central governments and Supranational issuers	**2.345,0**									
Central banks exposure	**293,2**									
Trading book	**12,1**									
Total assets	**14.086,4**	**0,4**	**-**	**-**	**-**	**676,3**	**147,8**	**-**	**2,8**	**74,0**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-
Financial guarantees	121,7	-	-	-	-	-	-	-	-	-
Assets under management	**-**	-	-	-	-	-	-	-	-	-
Of which debt securities	**-**	-	-	-	-	-	-	-	-	-
Of which equity instruments	**-**	-	-	-	-	-	-	-	-	-

Template 1. Assets for the calculation of GAR - Capex based [FY 2023]

Million EUR	Total [gross] carrying amount	31/12/2023					31/12/2023			
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Of which towards taxonomy-relevant sectors (taxonomy eligible)					Of which towards taxonomy-relevant sectors (taxonomy eligible)			
			Of which environmentally sustainable (taxonomy aligned)					Of which environmentally sustainable (taxonomy aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.451,6	573,3	70,2	-	0,6	34,8	10,0	4,9	-	0,00
Financial undertakings	**730,5**	**185,5**	**2,0**	-	**0,1**	**1,0**	**2,8**	-	-	-
Credit institutions	629,3	173,3	-	-	-	-	-	-	-	-
Loans and advances	8,0	2,6	-	-	-	-	-	-	-	-
Debt securities, including UoP	619,5	169,8	-	-	-	-	-	-	-	-
Equity instruments	1,8	0,9	-		-	-	-	-		-
Other financial corporations	101,2	12,2	2,0	-	0,1	1,0	2,8	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-
of which management companies	1,2	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,2	-	-		-	-	-	-		-
of which insurance undertakings	4,1	0,7	-	-	-	-	-	-	-	-
Loans and advances	0,2	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	3,9	0,7	-		-	-	-	-		-
Non-financial undertakings	**494,5**	**164,0**	**58,1**	**-**	**0,5**	**33,8**	**7,2**	**4,9**	**-**	**0,0**
Loans and advances	355,6	124,3	40,3	-	0,2	28,7	1,5	0,2	-	0,0
Debt securities, including UoP	105,6	28,5	9,9	-	0,2	1,1	5,1	4,7	-	-
Equity instruments	33,3	11,3	7,8		0,2	4,1	0,6			-
Households	**2.226,5**	**223,7**	**10,1**	-	-	-	-	-	-	-
of which loans collateralised by residential immovable property	162,1	162,1	10,1	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	61,6	61,6	-	-	-					
Local government financing	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties properties	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.854,7**									
Financial and Non-financial undertakings	**5.601,1**									
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.500,3									
Loans and advances	5.394,1									
of which loans collateralised by commercial immovable property	268,7									
of which building renovation loans	-									
Debt securities	38,3									
Equity instruments	67,9									
Non-EU country counterparties not subject to NFRD disclosure obligations	100,7									
Loans and advances	100,7									
Debt securities	-									
Equity instruments	0,0									
Derivatives	**-**									
On demand interbank loans	**343,3**									
Cash and cash-related assets	**0,0**									
Other categories of assets (e.g. goodwill, commodities, etc.)	**1.910,3**									
Total GAR assets	**11.306,3**	**573,3**	**70,2**	-	**0,6**	**34,8**	**10,0**	**4,9**	-	**0,0**
Assets not covered for GAR calculation	**3.020,7**									
Central governments and Supranational issuers	**2.467,2**									
Central banks exposure	**540,6**									
Trading book	**12,9**									
Total assets	**14.327,0**	**573,3**	**70,2**	-	**0,6**	**34,8**	**10,0**	**4,9**	-	**0,0**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-
Financial guarantees	212,2	-	-	-	-	-	-	-	-	-
Assets under management	-	-	-	-	-	-	-	-	-	-
Of which debt securities	-	-	-	-	-	-	-	-	-	-
Of which equity instruments	-	-	-	-	-	-	-	-	-	-

Million EUR	Total [gross] carrying amount	31/12/2023				
		TOTAL (CCM + CCA)				
		Of which towards taxonomy-relevant sectors (taxonomy eligible)				
			Of which environmentally sustainable (taxonomy aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator						
Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	3.451,6	583,3	75,1	-	0,6	34,8
Financial undertakings	**730,5**	**188,3**	**2,0**	**-**	**0,1**	**1,0**
Credit institutions	629,3	173,3	-	-	-	-
Loans and advances	8,0	2,6	-	-	-	-
Debt securities, including UoP	619,5	169,8	-	-	-	-
Equity instruments	1,8	0,9	-		-	-
Other financial corporations	101,2	15,0	2,0	-	0,1	1,0
of which investment firms	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-	-		-	-
of which management companies	1,2	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	1,2	-	-		-	-
of which insurance **undertakings**	4,1	0,7	-	-	-	-
Loans and advances	0,2	0,0	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	3,9	0,7	-		-	-
Non-financial undertakings	**494,5**	**171,2**	**63,0**	**-**	**0,5**	**33,8**
Loans and advances	355,6	125,8	40,5	-	0,2	28,7
Debt securities, including UoP	105,6	33,6	14,7	-	0,2	1,1
Equity instruments	33,3	11,9	7,8		0,2	4,1
Households	**2.226,5**	**223,7**	**10,1**	-	-	-
of which loans collateralised by residential immovable property	162,1	162,1	10,1	-	-	-
of which building renovation loans	-	-	-	-	-	-
of which motor vehicles loans	61,6	61,6	-	-	-	-
Local government financing	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.854,7**	-	-	-	-	-
Financial and Non-financial undertakings	**5.601,1**					
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.500,3					
Loans and advances	5.394,1					
of which loans collateralised by commercial immovable property	268,7					
of which building renovation loans	-					
Debt securities	38,3					
Equity instruments	67,9					
Non-EU country counterparties not subject to NFRD disclosure obligations	100,7					
Loans and advances	100,7					
Debt securities	-					
Equity instruments	0,0					
Derivatives	-					
On demand interbank loans	**343,3**					
Cash and cash-related assets	**0,0**					
Other categories of assets (e.g. goodwill, commodities, etc.)	**1.910,3**					
Total GAR assets	**11.306,3**	**583,3**	**75,1**	-	**0,6**	**34,8**
Assets not covered for GAR calculation	**3.020,7**					
Central governments and Supranational issuers	**2.467,2**					
Central banks exposure	**540,6**					
Trading book	**12,9**					
Total assets	**14.327,0**	**583,3**	**75,1**	-	**0,6**	**34,8**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-
Financial guarantees	212,2	-	-	-	-	-
Assets under management	-	-	-	-	-	-
Of which debt securities	-	-	-	-	-	-
Of which equity instruments	-	-	-	-	-	-

Template 1. Assets for the calculation of GAR - Turnover based [FY 2024]

Million EUR	Total [gross] carrying amount	31/12/2024 Climate Change Mitigation (CCM)					31/12/2024 Climate Change Adaptation (CCA)			
		Of which towards taxonomy-relevant sectors (taxonomy eligible)					Of which towards taxonomy-relevant sectors (taxonomy eligible)			
			Of which environmentally sustainable (taxonomy aligned)					Of which environmentally sustainable (taxonomy aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HtF eligible for GAR calculation	**3.522,7**	**647,6**	**98,8**	**-**	**1,9**	**21,2**	**2,5**	**0,3**	**-**	**0,1**
Financial undertakings	**818,3**	**210,3**	**13,7**	**-**	**0,9**	**5,0**	**1,8**	**0,3**	**-**	**0,0**
Credit institutions	**642,5**	**139,6**	**9,1**	**-**	**0,8**	**1,4**	**0,3**	**0,1**	**-**	**0,0**
Loans and advances	73,2	11,1	0,7	-	0,2	0,2	0,0	0,0	-	-
Debt securities, including UoP	557,3	125,6	8,1	-	0,7	1,1	0,3	0,0	-	0,0
Equity instruments	12,0	2,9	0,3		0,0	0,1	0,0	0,0		0,0
Other financial corporations	175,8	70,6	4,7	-	0,0	3,6	1,5	0,2	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-
of which insurance undertakings	3,6	0,8	0,1	-	-	-	0,6	0,1	-	-
Loans and advances	1,9	0,5	0,1	-	-	-	0,4	0,0	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,7	0,3	0,1		-	-	0,2	0,1		-
Non-financial undertakings	**577,5**	**265,6**	**73,5**	**-**	**1,0**	**16,2**	**0,7**	**0,0**	**-**	**0,0**
Loans and advances	443,8	226,0	59,4	-	0,6	13,4	0,1	0,0	-	0,0
Debt securities, including UoP	76,3	30,2	10,4	-	0,1	1,6	0,6	0,0	-	0,0
Equity instruments	57,3	9,4	3,8		0,3	1,2	0,0	0,0		0,0
Households	**2.126,9**	**171,7**	**11,6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	118,5	118,5	11,6	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	53,3	53,3	-	-	-					
Local government financing	-	-	-	-	-					
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financinf	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.913,5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial and Non-financial undertakings	**5.707,6**									
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.553,6									
Loans and advances	5.421,1									
of which loans collateralised by commercial immovable property	185,9									
of which building renovation loans	-									
Debt securities	35,5									
Equity instruments	97,0									
Non-EU country counterparties not subject to NFRD disclosure obligations	154,1									
Loans and advances	150,6									
Debt securities	1,0									
Equity instruments	2,4									
Derivatives	**7,4**									
On demand interbank loans	**279,9**									
Cash and cash-related assets	**0,0**									
Other assets (e.g. goodwill, commodities, etc.)	**1.918,6**									
Total GAR assets	**11.436,2**	**647,6**	**98,8**	**-**	**1,9**	**21,2**	**2,5**	**0,3**	**-**	**0,1**
Assets not covered for GAR calculation	**2.650,2**									
Central governments and Supranational issuers	**2.345,0**									
Central banks exposure	**293,2**									
Trading book	**12,1**									
Total assets	**14.086,4**	**647,6**	**98,8**	**-**	**1,9**	**21,2**	**2,5**	**0,3**	**-**	**0,1**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-
Financial guarantees	121,7	-	-	-	-	-	-	-	-	-
Assets under management	**-**	-	-	-	-	-	-	-	-	-
Of which debt securities	**-**	-	-	-	-	-	-	-	-	-
Of which equity instruments	**-**	-	-	-	-	-	-	-	-	-

Million EUR	Total [gross] carrying amount	31/12/2024 Water and marine resources (WTR) Of which towards taxonomy-relevant sectors (taxonomy eligible)	Of which environmentally sustainable (taxonomy aligned)	Of which transitional	Of which enabling	31/12/2024 Circular Economy (CE) Of which towards taxonomy-relevant sectors (taxonomy eligible)	Of which environmentally sustainable (taxonomy aligned)	Of which transitional	Of which enabling	31/12/2024 Pollution (PPC) Of which towards taxonomy-relevant sectors (taxonomy eligible)	Of which environmentally sustainable (taxonomy aligned)	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HtF eligible for GAR calculation	**3.522,7**	**1,9**	**1,6**	**-**	**0,0**	**3,2**	**0,0**	**-**	**-**	**0,6**	**0,0**	**-**	**-**
Financial undertakings	**818,3**	**0,0**	**-**	**-**	**-**	**1,3**	**0,0**	**-**	**-**	**0,0**	**-**	**-**	**-**
Credit institutions	**642,5**	**0,0**	**-**	**-**	**-**	**0,1**	**-**	**-**	**-**	**0,0**	**-**	**-**	**-**
Loans and advances	73,2	-	-	-	-	-	-	-	-	0,0	-	-	-
Debt securities, including UoP	557,3	0,0	-	-	-	0,1	-	-	-	0,0	-	-	-
Equity instruments	12,0	0,0	-		-	0,0	-		-	0,0	-		-
Other financial corporations	175,8	0,0	-	-	-	1,2	0,0	-	-	0,0	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-	-		-
of which insurance undertakings	3,6	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	1,9	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,7	-	-		-	-	-		-	-	-		-
Non-financial undertakings	**577,5**	**1,9**	**1,6**	**-**	**0,0**	**1,9**	**0,0**	**-**	**-**	**0,5**	**0,0**	**-**	**-**
Loans and advances	443,8	1,9	1,6	-	0,0	0,4	0,0	-	-	0,5	0,0	-	-
Debt securities, including UoP	76,3	0,0	-	-	-	1,3	0,0	-	-	0,0	-	-	-
Equity instruments	57,3	-	-		-	0,1	-		-	0,0	-		-
Households	**2.126,9**					-	-	-	-				
of which loans collateralised by residential immovable property	118,5					-	-	-	-				
of which building renovation loans	-					-	-	-	-				
of which motor vehicles loans	53,3												
Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.913,5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial and Non-financial undertakings	**5.707,6**												
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.553,6												
Loans and advances	5.421,1												
of which loans collateralised by commercial immovable property	185,9												
of which building renovation loans	-												
Debt securities	35,5												
Equity instruments	97,0												
Non-EU country counterparties not subject to NFRD disclosure obligations	154,1												
Loans and advances	150,6												
Debt securities,	1,0												
Equity instruments	2,4												
Derivatives	**7,4**												
On demand interbank loans	**279,9**												
Cash and cash-related assets	**0,0**												
Other assets (e.g. goodwill, commodities, etc.)	**1.918,6**												
Total GAR assets	**11.436,2**	**1,9**	**1,6**	**-**	**0,0**	**3,2**	**0,0**	**-**	**-**	**0,6**	**0,0**	**-**	**-**
Assets not covered for GAR calculation	**2.650,2**												
Central governments and Supranational issuers	**2.345,0**												
Central banks exposure	**293,2**												
Trading book	**12,1**												
Total assets	**14.086,4**	**1,9**	**1,6**	**-**	**0,0**	**3,2**	**0,0**	**-**	**-**	**0,6**	**0,0**	**-**	**-**
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-	-	-	-
Financial guarantees	121,7	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	**-**	-	-	-	-	-	-	-	-	-	-	-	-
Of which debt securities	**-**	-	-	-	-	-	-	-	-	-	-	-	-
Of which equity instruments	**-**	-	-	-	-	-	-	-	-	-	-	-	-

Million EUR	Total [gross] carrying amount	31/12/2024				31/12/2024				
		Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy-relevant sectors (taxonomy eligible)				Of which towards taxonomy-relevant sectors (taxonomy eligible)				
			Of which environmentally sustainable (taxonomy aligned)				Of which environmentally sustainable (taxonomy aligned)			
				Of which transitional	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not Hft eligible for GAR calculation	**3.522,7**	**0,1**	**-**	**-**	**-**	**655,8**	**100,7**	**-**	**1,9**	**21,3**
Financial undertakings	**818,3**	**0,0**	**-**	**-**	**-**	**213,4**	**14,0**	**-**	**0,9**	**5,0**
Credit institutions	**642,5**	**-**	**-**	**-**	**-**	**140,1**	**9,1**	**-**	**0,8**	**1,4**
Loans and advances	73,2	-	-	-	-	11,1	0,7	-	0,2	0,2
Debt securities, including UoP	557,3	-	-	-	-	126,0	8,2	-	0,7	1,1
Equity instruments	12,0	-	-		-	2,9	0,3		0,0	0,1
Other financial corporations	175,8	0,0	-	-	-	73,4	4,9	-	0,0	3,6
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-		-	-
of which insurance undertakings	3,6	-	-	-	-	1,4	0,2	-	-	-
Loans and advances	1,9	-	-	-	-	0,9	0,1	-	-	-
Debt securities, including Up	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,7	-	-		-	0,5	0,1		-	-
Non-financial undertakings	**577,5**	**0,1**	**-**	**-**	**-**	**270,7**	**75,2**	**-**	**1,0**	**16,2**
Loans and advances	443,8	0,0	-	-	-	228,9	61,0	-	0,6	13,4
Debt securities, including UoP	76,3	-	-	-	-	32,1	10,4	-	0,1	1,6
Equity instruments	57,3	0,0	-		-	9,6	3,8		0,3	1,2
Households	**2.126,9**					**171,7**	**11,6**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	118,5					118,5	11,6	-	-	-
of which building renovation loans	-					-	-	-	-	-
of which motor vehicles loans	53,3					53,3	-	-	-	-
Local government financing	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.913,5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial and Non-financial undertakings	**5.707,6**									
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.553,6									
Loans and advances	5.421,1									
of which loans collateralised by commercial immovable property	185,9									
of which building renovation loans	-									
Debt securities	35,5									
Equity instruments	97,0									
Non-EU country counterparties not subject to NFRD reporting requirements	154,1									
Loans and advances	150,6									
Debt securities	1,0									
Equity instruments	2,4									
Derivatives	**7,4**									
On demand interbank loans	**279,9**									
Cash and cash-related assets	**0,0**									
Other assets (e.g. goodwill, commodities, etc.)	**1.918,6**									
Total GAR assets	**11.436,2**	**0,1**	**-**	**-**	**-**	**655,8**	**100,7**	**-**	**1,9**	**21,3**
Assets not covered for GAR calculation	**2.650,2**									
Central governments and Supranational issuers	**2.345,0**									
Central banks exposure	**293,2**									
Trading book	**12,1**									
Total assets	**14.086,4**	**0,1**	**-**	**-**	**-**	**655,8**	**100,7**	**-**	**1,9**	**21,3**
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations	**-**	-	-	-	-	-	-	-	-	-
Financial guarantees	121,7	-	-	-	-	-	-	-	-	-
Assets under management	**-**	-	-	-	-	-	-	-	-	-
Of which debt securities	**-**	-	-	-	-	-	-	-	-	-
Of which equity instruments	**-**	-	-	-	-	-	-	-	-	-

Template 1. Assets for the calculation of GAR - Turnover based [FY 2023]

Million EUR	Total [gross] carrying amount	31/12/2023 Climate Change Mitigation (CCM) Of which towards taxonomy-relevant sectors (taxonomy eligible)	Of which environmentally sustainable (taxonomy aligned)	Of which use of proceeds	Of which transitional	Of which enabling	31/12/2023 Climate Change Adaptation (CCA) Of which towards taxonomy-relevant sectors (taxonomy eligible)	Of which environmentally sustainable (taxonomy aligned)	Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.451,6	554,6	38,5	-	0,4	12,0	5,9	0,0	-	-
Financial undertakings	**730,5**	**181,7**	**1,0**	**-**	**-**	**0,7**	**2,7**	**-**	**-**	**-**
Credit institutions	629,3	171,3	-	-	-	-	-	-	-	-
Loans and advances	8,0	2,3	-	-	-	-	-	-	-	-
Debt securities, including UoP	619,5	168,1	-	-	-	-	-	-	-	-
Equity instruments	1,8	0,9	-		-	-	-	-		-
Other financial corporations	101,2	10,5	1,0	-	-	0,7	2,7	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-
of which management companies	1,2	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	1,2	-	-		-	-	-	-		-
of which insurance undertakings	4,1	0,7	-	-	-	-	0,0	-	-	-
Loans and advances	0,2	-	-	-	-	-	0,0	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	3,9	0,7	-		-	-	-	-		-
Non-financial companies undertakings	**494,5**	**149,2**	**27,4**	**-**	**0,4**	**11,3**	**3,2**	**0,0**	**-**	**-**
Loans and advances	355,6	115,2	16,6	-	0,3	8,5	1,7	0,0	-	-
Debt securities, including UoP	105,6	25,9	7,5	-	0,1	0,4	1,4	0,0	-	-
Equity instruments	33,3	8,1	3,4		0,1	2,3	0,0	-		-
Households	**2.226,5**	**223,7**	**10,1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	162,1	162,1	10,1	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	61,6	61,6	-	-	-					
Local government financing	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.854,7**									
Financial and Non-financial undertakings	**5.601,1**									
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.500,3									
Loans and advances	5.394,1									
of which loans collateralised by commercial immovable property	268,7									
of which building renovation loans	-									
Debt securities	38,3									
Equity instruments	67,9									
Non-EU country counterparties not subject to NFRD disclosure obligations	100,7									
Loans and advances	100,7									
Debt securities	-									
Equity instruments	0,0									
Derivatives	**-**									
On demand interbank loans	**343,3**									
Cash and cash-related assets	**0,0**									
Other categories of assets (e.g. goodwill, ommodities, etc.)	**1.910,3**									
Total GAR assets	**11.306,3**	**554,6**	**38,5**	**-**	**0,4**	**12,0**	**5,9**	**0,0**	**-**	**-**
Assets not covered for GAR calculation	**3.020,7**									
Central governments and Supranational issuers	**2.467,2**									
Central banks exposure	**540,6**									
Trading book	**12,9**									
Total assets	**14.327,0**	**554,6**	**38,5**	**-**	**0,4**	**12,0**	**5,9**	**0,0**	**-**	**-**
Off-balance sheet exposures – Undertakings subject to NFRD disclosure requirements	-	-	-	-	-	-	-	-	-	-
Financial guarantees	212,2	-	-	-	-	-	-	-	-	-
Assets under management	-	-	-	-	-	-	-	-	-	-
Of which debt securities	-	-	-	-	-	-	-	-	-	-
Of which equity instruments	-	-	-	-	-	-	-	-	-	-

Million EUR	Total [gross] carrying amount	31/12/2023				
		TOTAL (CCM + CCA)				
		Of which towards taxonomy-relevant sectors (taxonomy eligible)				
			Of which environmentally sustainable (taxonomy aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator						
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.451,6	560,5	38,5	-	0,4	12,0
Financial undertakings	**730,5**	**184,4**	**1,0**	**-**	-	**0,7**
Credit institutions	629,3	171,3	-	-	-	-
Loans and advances	8,0	2,3	-	-	-	-
Debt securities, including UoP	619,5	168,1	-	-	-	-
Equity instruments	1,8	0,9	-		-	-
Other financial corporations	101,2	13,1	1,0	-	-	0,7
of which investment firmas	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-	-		-	-
of which management companies	1,2	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	1,2	-	-		-	-
of which insurance undertakings	4,1	0,8	-	-	-	-
Loans and advances	0,2	0,0	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	3,9	0,7	-		-	-
Non-financial undertakings	**494,5**	**152,4**	**27,4**	**-**	**0,4**	**11,3**
Loans and advances	355,6	116,9	16,6	-	0,3	8,5
Debt securities, including UoP	105,6	27,4	7,5	-	0,1	0,4
Equity instruments	33,3	8,1	3,4		0,1	2,3
Households	**2.226,5**	**223,7**	**10,1**	-	-	-
of which loans collateralised by residential immovable property	162,1	162,1	10,1	-	-	-
of which building renovation loans	-	-	-	-	-	-
of which motor vehicles loans	61,6	61,6	-	-	-	-
Local government financing	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**7.854,7**	-	-	-	-	-
Financial and Non-financial undertakings	**5.601,1**					
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5.500,3					
Loans and advances	5.394,1					
of which loans collateralised by commercial immovable property	268,7					
of which building renovation loans	-					
Debt securities	38,3					
Equity instruments	67,9					
Non-EU country counterparties not subject to NFRD disclosure obligations	100,7					
Loans and advances	100,7					
Debt securities	-					
Equity instruments	0,0					
Derivatives	-					
On demand interbank loans	**343,3**					
Cash and cash-related assets	**0,0**					
Other caregories assets (e.g. goodwill, commodities, etc.)	**1.910,3**					
Total GAR assets	**11.306,3**	**560,5**	**38,5**	-	**0,4**	**12,0**
Assets not covered for GAR calculation	**3.020,7**					
Central governments and Supranational issuers	**2.467,2**					
Central banks exposure	**540,6**					
Trading book	**12,9**					
Total assets	**14.327,0**	**560,5**	**38,5**	-	**0,4**	**12,0**
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations	-	-	-	-	-	-
Financial guarantees	212,2	-	-	-	-	-
Assets under management	-	-	-	-	-	-
Of which debt securities	-	-	-	-	-	-
Of which equity instruments	-	-	-	-	-	-

Template 2. GAR Sector Information - Capex based [FY 2024]

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024				31/12/2024			
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD		Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
C17.12 Manufacture of paper and paperboard	1,9	0,7			-	-		
C20.15 Manufacture of fertilisers and nitrogen compounds	0,6	0,0			-	-		
C22.29 Manufacture of other plastic products	13,6	1,9			-	-		
C23.13 Manufacture of hollow glass	0,2	-			-	-		
C23.14 Manufacture of glass fibres	0,2	0,0			-	-		
C23.51 Manufacture of cement	2,0	0,1			-	-		
C23.61 Manufacture of concrete products for construction products	0,1	0,0			-	-		
C23.70 Cutting, shaping and finishing of stone	0,0	0,0			-	-		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	22,1	7,7			-	-		
C24.53 Casting of light metals	0,4	-			-	-		
C25.73 Manufacture of tools	0,4	0,0			-	-		
C26.51 Manufacture of instruments and appliance for measuring, testing and navigation	0,0	0,0			-	-		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	0,1	0,0			-	-		
C27.40 Manufacture of electric lighting equipment	1,2	0,1			-	-		
C27.51 Manufacture of electric domestic appliances	2,4	0,2			-	-		
C28.11 Manufacture of engines and turbines, except aircraft, vehicles and cycles engines	0,0	0,0			-	-		
C28.12 Manufacture of fluid power equipment	-	-			-	-		
C28.22 Manufacture of lifting and handling equipment	3,8	1,8			-	-		
C28.30 Manufacture of agricultural and forestry machinery	3,3	0,1			-	-		
C28.92 Manufacture of machinery for mining and construction	1,0	-			-	-		
C29.10 Manufacture of motor vehicles	89,8	24,8			-	-		
C30.11 Building of ships and floating structures	0,6	-			-	-		
C30.91 Manufacture of motorcycles	2,8	0,4			-	-		
D35.11 Production of electricity	10,3	1,7			-	-		
D35.12 Trasmission of electricity	8,3	8,2			-	-		
D35.13 Distribution of electricity	3,7	1,9			-	-		
D35.22 Distribution of gaseous fuels through mains	3,6	0,1			-	-		
E36.00 Water collection, treatment and supply	0,1	0,0			-	-		
E38.11 Collection of non-hazardous waste	2,7	1,4			-	-		
E38.21 Treatment and disposal of non-hazardous waste	10,0	2,1			-	-		
E39.00 Remediation activities and other waste management services	0,2	0,0			-	-		
F41.10 Development of building projects	1,1	0,9			-	-		
F41.20 Construction of residential and non-residential buildings	0,0	0,0			-	-		
F43.22 Plumbing, heating and air conditioning installation	0,0	0,0			-	-		
F43.99 Other specialised construction activities n.e.c.	4,5	-			-	-		
H49.10 Passenger rail transport, interurban	3,2	2,6			3,2	0,1		
H52.21 Service activities incidental to land transport	33,2	17,7			33,2	0,5		
H53.10 Postal activities with universal service obligation	7,8	0,8			-	-		
J60.10 Radio broadcasting	0,8	-			-	-		
J61.10 Wired telecommunication activities	30,9	0,1			26,4	0,0		
J61.90 Other telecommunication activities	9,0	0,0			-	-		
J62.02 Computer consultancy activities	0,3	-			-	-		
J62.09 Other information technology and computer service activities	0,0	-			-	-		
L68.10 Buying and selling of own real estate	8,4	1,1			5,8	0,0		
L68.32 Management of real estate on a fee or contract basis	1,2	0,2			-	-		
M71.12 Engineering activities and related technical consultancy	2,6	0,2			0,1	0,0		
N77.11 Rental and leasing of passenger cars and light motor vehicles	22,3	0,0			-	-		
N77.12 Rental and leasing of trucks	4,9	1,7			-	-		

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024				31/12/2024			
	Water and marine resources (WTR)				Circular Economy (CE)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD		Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
C17.12 Manufacture of paper and paperboard	-	-			-	-		
C20.15 Manufacture of fertilisers and nitrogen compounds	-	-			0,2	-		
C22.29 Manufacture of other plastic products	2,1	-			2,1	-		
C23.13 Manufacture of hollow glass	-	-			-	-		
C23.14 Manufacture of glass fibres	-	-			-	-		
C23.51 Manufacture of cement	-	-			2,0	0,0		
C23.61 Manufacture of concrete products construction purpose	-	-			-	-		
C23.70 Cutting, shaping and finishing stone	-	-			-	-		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	-	-			-	-		
C24.53 Casting of light metals	-	-			-	-		
C25.73 Manufacture of tools	-	-			0,3	-		
C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	-	-			-	-		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-			0,1	-		
C27.40 Manufacture of electric lighting equipment	-	-			-	-		
C27.51 Manufacture of electric domestic appliances	-	-			-	-		
C28.11 Manufacture of engines and turbines, except aircraft, vehicles and cycles engines	-	-			0,0	-		
C28.12 Manufacture of fluid power equipments	-	-			0,0	-		
C28.22 Manufacture of lifting and handling equipment	-	-			-	-		
C28.30 Manufacture of agricultural and forestry machinery	-	-			3,3	-		
C28.92 Manufacture of machinery for mining and construction	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			20,3	-		
C30.11 Building of ships and floating structures	-	-			-	-		
C30.91 Manufacture of motorcycles	2,4				2,4			
D35.11 Production of electricity	0,5	0,3			0,5	0,0		
D35.12 Trasmission of electricity	-	-			-	-		
D35.13 Distribution of electricity	-	-			-	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
E36.00 Water collection, treatment and supply	0,0	0,0			0,0	0,0		
E38.11 Collection of non-hazardous waste	-	-			-	-		
E38.21 Treatment and disposal of non-hazardous waste	-	-			-	-		
E39.00 Remediation activities and other waste management services	-	-			-	-		
F41.10 Development of building projects	-	-			-	-		
F41.20 Construction of residential and non-residential buildings	-	-			-	-		
F43.22 Plumbing, heating and air conditioning installation	-	-			-	-		
F43.99 Other specialised construction activities n.e.c.	-	-			4,5	-		
H49.10 Passenger rail transport, interurban	-	-			3,2	-		
H52.21 Service activities incidental to land transport	-	-			26,6	-		
H53.10 Postal activities with universal service obligation	-	-			-	-		
J60.10 Radio broadcasting	-	-			-	-		
J61.10 Wired telecommunication activities	0,2	0,0			4,2	0,0		
J61.90 Other telecommunication activities	-	-			2,2			
J62.02 Computer consultancy activities	-	-			-	-		
J62.09 Other information technology and computer service activities	-	-			-	-		
L68.10 Buying and selling of owned real estate	-	-			-	-		
L68.32 Management of real estate on a fee or contract basis	-	-			-	-		
M71.12 Engineering activities and related technical consultancy	-	-			2,6			
N77.11 Rental and leasing of passenger cars and light motor vehicles	-	-			-	-		
N77.12 Rental and leasing of trucks	-	-			-	-		

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024				31/12/2024			
	Pollution (PPC)				Biodiversity and ecosystems (BIO)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD		Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
C17.12 Manufacture of paper and paperboard	-	-			-	-		
C20.15 Manufacture of fertilisers and nitrogen compounds	0,2	-			-	-		
C22.29 Manufacture of other plastic products	2,1	-			-	-		
C23.13 Manufacture of hollow glass	-	-			-	-		
C23.14 Manufacture of glass fibres	-	-			-	-		
C23.51 Manufacture of cement	-	-			-	-		
C23.61 Manufacture of concrete products for construction purpose	-	-			-	-		
C23.70 Cutting, shaping and finishing stone	-	-			-	-		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	-	-			-	-		
C24.53 Casting of light metals	-	-			-	-		
C25.73 Manufacture of tools	-	-			-	-		
C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	-	-			-	-		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-			-	-		
C27.40 Manufacture of electric lighting equipment	-	-			-	-		
C27.51 Manufacture of electric domestic appliances	-	-			-	-		
C28.11 Manufacture of engines and turbines, except aircraft, vehicles and cycles engines	-	-			-	-		
C28.12 Manufacture of fluid power equipments	0,0	-			-	-		
C28.22 Manufacture of lifting and handling equipment	-	-			-	-		
C28.30 Manufacture of agricultural and forestry machinery	-	-			-	-		
C28.92 Manufacture of machinery for mining and construction	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			-	-		
C30.11 Building of ships and floating structures	-	-			-	-		
C30.91 Manufacture of motorcycles	2,4	-			-	-		
D35.11 Production of electricity	0,5	-			-	-		
D35.12 Trasmission of electricity	-	-			-	-		
D35.13 Distribution of electricity	-	-			-	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
E36.00 Water collection, treatment and supply	0,0	0,0			-	-		
E38.11 Collection of non-hazardous waste	-	-			-	-		
E38.21 Treatment and disposal of non-hazardous waste	-	-			-	-		
E39.00 Remediation activities and other waste management services	-	-			-	-		
F41.10 Development of building projects	-	-			-	-		
F41.20 Construction of residential and non-residential buildings	-	-			-	-		
F43.22 Plumbing, heating and air conditioning installation	-	-			-	-		
F43.99 Other specialised construction activities n.e.c.	-	-			-	-		
H49.10 Passenger rail transport, interuban	-	-			-	-		
H52.21 Service activities incidental to land transport	-	-			-	-		
H53.10 Postal activities with universal service obligation	-	-			-	-		
J60.10 Radio broadcasting	-	-			-	-		
J61.10 Wired telecommunication activities	0,2	0,0			-	-		
J61.90 Other telecommunication activities	-	-			-	-		
J62.02 Computer consultancy activities	-	-			-	-		
J62.09 Other information technology and computer service activities	-	-			-	-		
L68.10 Buying and selling of owned real estate	-	-			-	-		
L68.32 Management of real estate on a fee or contract basis	-	-			-	-		
M71.12 Engineering activities and related technical consultancy	1,3	-			-	-		
N77.11 Rental and leasing of passenger cars and light motor vehicles	-	-			-	-		
N77.12 Rental and leasing of trucks	-	-			-	-		

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024			
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
C17.12 Manufacture of paper and paperboard board	1,9	0,7		
C20.15 Manufacture of fertilisers and nitrogen compounds	0,6	0,0		
C22.29 Manufacture of other plastic products	13,6	1,9		
C23.13 Manufacture of hollow glass	0,2	-		
C23.14 Manufacture of glass fibres	0,2	0,0		
C23.51 Manufacture of cement	2,0	0,1		
C23.61 Manufacture of concrete products for construction purpose	0,1	0,0		
C23.70 Cutting, shaping and finishing stone	0,0	0,0		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	22,1	7,7		
C24.53 Casting of light metals	0,4	-		
C25.73 Manufacture of tools	0,4	0,0		
C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	0,0	0,0		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	0,1	0,0		
C27.40 Manufacture of electric lighting equipment	1,2	0,1		
C27.51 Manufacture of electric domestic appliances	2,4	0,2		
C28.11 Manufacture of engines and turbines, except aircraft, for vehicles and cycles engines	0,0	0,0		
C28.12 Manufacture of fluid power equipments	0,0	-		
C28.22 Manufacture of lifting and handling equipment	3,8	1,8		
C28.30 Manufacture of agricultural and forestry machinery	3,3	0,1		
C28.92 Manufacture of machinery for mining and construction	1,0	-		
C29.10 Manufacture of motor vehicles	89,8	24,8		
C30.11 Building of ships and floating structures	0,6	-		
C30.91 Manufacture of motorcycles	2,8	0,4		
D35.11 Producton of electricity	10,3	2,0		
D35.12 Trasmission of electricity	8,3	8,2		
D35.13 Distribution of electricity	3,7	1,9		
D35.22 Distribution of gaseous fuels through mains	3,6	0,1		
E36.00 Water collection, treatment and supply	0,1	0,0		
E38.11 Collection of non-hazardous waste	2,7	1,4		
E38.21 Treatment and disposal of non-hazardous waste	10,0	2,1		
E39.00 Remediation activities and other waste management services	0,2	0,0		
F41.10 Development of building projects	1,1	0,9		
F41.20 Construction of residential and non-residential buildings	0,0	0,0		
F43.22 Plumbing, heating and air conditioning installation	0,0	0,0		
F43.99 Other specialised construction activities n.e.c.	4,5	-		
H49.10 Passenger rail transport, interurban	3,2	2,7		
H52.21 Service activities incidental to land transport	33,2	18,2		
H53.10 Postal activities with universal service obligation	7,8	0,8		
J60.10 Radio broadcasting	0,8	-		
J61.10 Wired telecommunication activities	30,9	0,1		
J61.90 Other telecommunication activities	9,0	0,0		
J62.02 Computer consultancy activities	0,3	-		
J62.09 Other information technology and computer service activities	0,0	-		
L68.10 Buying and selling of owned real estate	8,4	1,1		
L68.32 Management of real estate on a fee or contract basis	1,2	0,2		
M71.12 Engineering activities and related technical consultancy	2,6	0,2		
N77.11 Rental and leasing of passenger cars and light motor vehicles	22,3	0,0		
N77.12 Rental and leasing of trucks	4,9	1,7		

Template 2. GAR Sector Information - Turnover based [FY 2024]

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024				31/12/2024			
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD		Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		Gross carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
C17.12 Manufacture of paper and paperboard	1,9	0,1			-	-		
C20.15 Manufacture of fertilisers and nitrogen compounds	0,6	-			-	-		
C22.29 Manufacture of other plastic products	13,6	0,8			-	-		
C23.13 Manufacture of hollow glass	0,2				-	-		
C23.14 Manufacture of glass fibres	0,2	0,0			-	-		
C23.51 Manufacture of cement	2,0	0,1			-	-		
C23.61 Manufacture of concrete products for construction purposes	0,1	0,0			-	-		
C23.70 Cutting, shaping and finishing stone	0,0	0,0			-	-		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	22,1	17,4			-	-		
C24.53 Casting of light metals	0,4				-	-		
C25.73 Manufacture of tools	0,4	0,0			-	-		
C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	0,0	0,0			-	-		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	0,1	-			-	-		
C27.40 Manufacture of electric lighting equipment	1,2	0,1			-	-		
C27.51 Manufacture of electric domestic appliances	2,4	0,1			-	-		
C28.11 Manufacture of engines and turbines, except aircraft, vehicles and cycles engines	0,0	0,0			-	-		
C28.12 Manufacture of fluid power equipment	-	-			-	-		
C28.22 Manufacture of lifting and handling equipment	3,8	1,9			-	-		
C28.30 Manufacture of agricultural and forestry machinery	3,3	0,0			-	-		
C28.92 Manufacture of machinery for mining and construction	1,0	-			-	-		
C29.10 Manufacture of motor vehicles	89,8	7,8			-	-		
C30.11 Building of ships and floating structures	0,6	-			-	-		
C30.91 Manufacture of motorcycles	2,8	0,2			-	-		
D35.11 Production of electricity	10,3	0,3			-	-		
D35.12 Trasmission of electricity	8,3	7,1			-	-		
D35.13 Distribution of electricity	3,7	1,0			-	-		
D35.22 Distribution of gaseous fuels through mains	3,6	0,0			-	-		
E36.00 Water collection, treatment and supply	0,1	0,0			-	-		
E38.11 Collection of non-hazardous waste	2,7	0,7			-	-		
E38.21 Treatment and disposal of non-hazardous waste	10,0	4,9			-	-		
E39.00 Remediation activities and other waste management services	0,2	0,0			-	-		
F41.10 Development of building projects	1,1	0,6			-	-		
F41.20 Construction of residential and non-residential buildings	0,0	0,0			-	-		
F43.22 Plumbing, heating and air conditioning installation	0,0	0,0			-	-		
F43.99 Other specialised construction activities n.e.c.	4,5	-			-	-		
H49.10 Passenger rail transport, interurban	3,2	1,9			3,2	-		
H52.21 Service activities incidental to land transport	33,2	12,6			33,2	-		
H53.10 Postal activities with universal service obligation	7,8	0,3			-	-		
J60.10 Radio broadcasting	0,8				-	-		
J61.10 Wired telecommunication activities	30,9	0,0			26,4	0,0		
J61.90 Other telecommunication activities	9,0	0,0			-	-		
J62.02 Computer consultancy activities	0,3	-			-	-		
J62.09 Other information technology and computer service activities	0,0	-			-	-		
L68.10 Buying and selling of owned real estate	8,4	0,6			5,8	0,0		
L68.32 Management of real estate on a fee or contract basis	1,2	0,0			-	-		
M71.12 Engineering activities and related technical consultancy	2,6	0,1			0,1	-		
N77.11 Rental and leasing of passenger cars and light motor vehicles	22,3	0,0			-	-		
N77.12 Rental and leasing of trucks	4,9	0,1			-	-		

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024 Water and marine resources (WTR)				31/12/2024 Circular Economy (CE)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD		Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
C17.12 Manufacture of paper and paperboard	-	-			-	-		
C20.15 Manufacture of fertilisers and nitrogen compounds	-	-			0,2	-		
C22.29 Manufacture of other plastic products	2,1	-			2,1	-		
C23.13 Manufacture of hollow glass	-	-			-	-		
C23.14 Manufacture of glass fibres	-	-			-	-		
C23.51 Manufacture of cement	-	-			2,0	0,0		
C23.61 Manufacture of concrete products for construction purposes	-	-			-	-		
C23.70 Cutting, shaping and finishing stone	-	-			-	-		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	-	-			-	-		
C24.53 Casting of light metals	-	-			-	-		
C25.73 Manufacture of tools	-	-			0,3	-		
C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	-	-			-	-		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-			0,1	-		
C27.40 Manufacture of electric lighting equipment	-	-			-	-		
C27.51 Manufacture of electric domestic appliances	-	-			-	-		
C28.11 Manufacture of engines and turbines, except aircraft, vehicles and cycles engines	-	-			0,0	-		
C28.12 Manufacture of fluid power plants	-	-			0,0	-		
C28.22 Manufacture of lifting and handling equipment	-	-			-	-		
C28.30 Manufacture of agricultural and forestry machinery	-	-			3,3	-		
C28.92 Manufacture of machinery for mining and construction	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			20,3	-		
C30.11 Building of ships and floating structures	-	-			-	-		
C30.91 Manufacture of motorcycles	2,4	-			2,4	-		
D35.11 Production of electricity	0,5	0,1			0,5	-		
D35.12 Trasmission of electricity	-	-			-	-		
D35.13 Distribution fo electricity	-	-			-	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
E36.00 Water collection, treatment and supply	0,0	0,0			0,0	0,0		
E38.11 Collection of non-hazardous waste	-	-			-	-		
E38.21 Treatment and disposal of non-hazardous waste	-	-			-	-		
E39.00 Remediation activities and other waste management services	-	-			-	-		
F41.10 Development of building projects	-	-			-	-		
F41.20 Construction of residential and non-residential buildings	-	-			-	-		
F43.22 Plumbing, heating and air conditioning installation	-	-			-	-		
F43.99 Other specialised construction activities n.e.c.	-	-			4,5	-		
H49.10 Passenger rail transport, interurban	-	-			3,2	-		
H52.21 Service activities incidental to land transport	-	-			26,6	-		
H53.10 Postal activities with universal service obligation	-	-			-	-		
J60.10 Radio broadcasting	-	-			-	-		
J61.10 Wired telecommunication activities	0,2	0,0			4,2	0,0		
J61.90 Other telecommunication activities	-	-			2,2	-		
J62.02 Computer consultancy activities	-	-			-	-		
J62.09 Other information technology and computer service activities	-	-			-	-		
L68.10 Buying and selling of owned real estate	-	-			-	-		
L68.32 Management of real estate on a fee or contract basis	-	-			-	-		
M71.12 Engineering activities and related technical consultancy	-	-			2,6	-		
N77.11 Rental and leasing of passenger cars and light motor vehicles	-	-			-	-		
N77.12 Rental and leasing of trucks	-	-			-	-		

Breakdown by sector – NACE 4 digits level (code and label)	31/12/2024 Pollution (PPC)				31/12/2024 Biodiversity and ecosystems (BIO)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD		Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
C17.12 Manufacture of paper and paperboard	-	-			-	-		
C20.15 Manufacture of fertilisers and nitrogen compounds	0,2	-			-	-		
C22.29 Manufacture of other plastic products	2,1	-			-	-		
C23.13 Manufacture of hollow glass	-	-			-	-		
C23.14 Manufacture of glass fibres	-	-			-	-		
C23.51 Manufacture of cement	-	-			-	-		
C23.61 Manufacture of concrete product for construction purposes	-	-			-	-		
C23.70 Cutting, shaping and finishing stone	-	-			-	-		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	-	-			-	-		
C24.53 Casting of light metals	-	-			-	-		
C25.73 Manufacture of tools	-	-			-	-		
C26.51 Manufacture of instruments and apparatus for measuring, testing and navigation	-	-			-	-		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-			-	-		
C27.40 Manufacture of electric lighting equipment	-	-			-	-		
C27.51 Manufacture of electric domestic appliances	-	-			-	-		
C28.11 Manufacture of engines and turbines, except aircraft, vehicles and cycles engines	-	-			-	-		
C28.12 Manufacture of fluid power equipment	0,0	-			-	-		
C28.22 Manufacture of lifting and handling equipment	-	-			-	-		
C28.30 Manufacture of agricultural and forestry machinery	-	-			-	-		
C28.92 Manufacture of machinery for mining and construction	-	-			-	-		
C29.10 Manufacture of motor vehicles	-	-			-	-		
C30.11 Building of ships and floating structures	-	-			-	-		
C30.91 Manufacture of motorcycles	2,4	-			-	-		
D35.11 Production of electricity	0,5	-			-	-		
D35.12 Trasmission of electricity	-	-			-	-		
D35.13 Distribution of electricity	-	-			-	-		
D35.22 Distribution of gaseous fuels through mains	-	-			-	-		
E36.00 Water collection, treatment and supply	0,0	0,0			-	-		
E38.11 Collection of non-hazardous waste	-	-			-	-		
E38.21 Treatment and disposal of non-hazardous waste	-	-			-	-		
E39.00 Remediation activities and other waste management services	-	-			-	-		
F41.10 Development of building projects	-	-			-	-		
F41.20 Construction of residential and non-residential buildings	-	-			-	-		
F43.22 Plumbing, heating and air conditioning installation	-	-			-	-		
F43.99 Other specialised construction activities n.e.c.	-	-			-	-		
H49.10 Passenger rail transport, interuban	-	-			-	-		
H52.21 Service activities incidental to land transport	-	-			-	-		
H53.10 Postal activities with universal service obligation	-	-			-	-		
J60.10 Radio broadcasting	-	-			-	-		
J61.10 Wired telecommunication activities	0,2	0,0			-	-		
J61.90 Other telecommunication activities	-	-			-	-		
J62.02 Computer consultancy activities	-	-			-	-		
J62.09 Other information technology and computer service activities	-	-			-	-		
L68.10 Buying and selling of owned real estate	-	-			-	-		
L68.32 Management of real estate on a fee or contract basis	-	-			-	-		
M71.12 Engineering activities and related technical consultancy	1,3	-			-	-		
N77.11 Rental and leasing of passenger cars and light motor vehicles	-	-			-	-		
N77.12 Rental and leasing of trucks	-	-			-	-		

Breakdown by sector - NACE 4 digits level (brand code)	31/12/2024			
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-financial corporates (subject to NFRD)		SMEs and other NFCs not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
C17.12 Manufacture of paper and paperboard	1,9	0,1		
C20.15 Manufacture of fertilisers and nitrogen compounds	0,6			
C22.29 Manufacture of other plastic products	13,6	0,8		
C23.13 Manufacture of hollow glass	0,2			
C23.14 Manufacture of glass fibres	0,2	0,0		
C23.51 Manufacture of cement	2,0	0,1		
C23.61 Manufacture of concrete products for construction purposes	0,1	0,0		
C23.70 Cutting, shaping and finishing stone	0,0	0,0		
C24.10 Manufacture of basic iron and steel and of ferro-alloys	22,1	17,4		
C24.53 Casting of light metals	0,4	-		
C25.73 Manufacture of tools	0,4	0,0		
C26.51 Manufacture of instruments and appliances for measuring, testing and navigation	0,0	0,0		
C26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment	0,1	-		
C27.40 Manufacture of electric lighting equipment	1,2	0,1		
C27.51 Manufacture of electric domestic appliances	2,4	0,1		
C28.11 Manufacture of engines and turbines, except aircraft, for vehicles and cycles engines	0,0	0,0		
C28.12 Manufacture of fluid power equipment	0,0	-		
C28.22 Manufacture of lifting and handling equipment	3,8	1,9		
C28.30 Manufacture of agricultural and forestry machinery	3,3	0,0		
C28.92 Manufacture of machinery for mining and construction	1,0	-		
C29.10 Manufacture of motor vehicles	89,8	7,8		
C30.11 Building of ships and floating structures	0,6	-		
C30.91 Manufacture of motorcycles	2,8	0,2		
D35.11 Production of electricity	10,3	0,4		
D35.12 Trasmission of electricity	8,3	7,1		
D35.13 Distribution of electricity	3,7	1,0		
D35.22 Distribution of gaseous fuels through mains	3,6	0,0		
E36.00 Water collection, treatment and supply	0,1	0,0		
E38.11 Collection of non-hazardous waste	2,7	0,7		
E38.21 Treatment and disposal of non-hazardous waste	10,0	4,9		
E39.00 Remediation activities and other waste management services	0,2	0,0		
F41.10 Development of building projects	1,1	0,6		
F41.20 Construction of residential and non-residential buildings	0,0	0,0		
F43.22 Plumbing, heating and air conditioning installation	0,0	0,0		
F43.99 Other specialised construction activities n.e.c.	4,5	-		
H49.10 Passenger rail transport, interuban	3,2	1,9		
H52.21 Service activities incidental to land transport	33,2	12,6		
H53.10 Postal activities with universal service obligation	7,8	0,3		
J60.10 Radio broadcasting	0,8	-		
J61.10 Wired telecommunication activities	30,9	0,0		
J61.90 Other telecommunication activities	9,0	0,0		
J62.02 Computer consultancy activities	0,3	-		
J62.09 Other information technology and computer service activities	0,0	-		
L68.10 Buying and selling of owned real estate	8,4	0,6		
L68.32 Management of real estate on a fee or contract basis	1,2	0,0		
M71.12 Engineering activities and related technical consultancy	2,6	0,1		
N77.11 Rental and leasing of passenger cars and light motor vehicles	22,3	0,0		
N77.12 Rental and leasing of trucks	4,9	0,1		

Template 3. GAR KPI stock - Capex based [FY 2024]

% (compared to total covered assets in the denominator)	31/12/2024					31/12/2024			
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					Proportion of total covered assets funding to taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,8%	1,3%	-	0,0%	0,6%	0,1%	0,0%	-	0,0%
Financial undertakings	**2,0%**	**0,3%**	**-**	**0,0%**	**0,2%**	**0,0%**	**0,0%**	**-**	**0,0%**
Credit institutions	1,2%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Loans and advances	0,1%	0,0%	-	0,0%	0,0%	0,0%	0,0%	-	-
Debt securities, including UoP	1,1%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%
Other financial corporations	0,8%	0,2%	-	0,0%	0,2%	0,0%	0,0%	-	-
of which investment firms	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which insurance undertakings	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Loans and advances	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	0,0%		-	-	0,0%	0,0%		-
Non-financial undertakings	**2,3%**	**0,9%**	**-**	**0,0%**	**0,5%**	**0,1%**	**0,0%**	**-**	**0,0%**
Loans and advances	1,8%	0,6%	-	0,0%	0,4%	0,0%	0,0%	-	0,0%
Debt securities, including UoP	0,3%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,2%	0,1%		0,0%	0,0%	0,0%	0,0%		0,0%
Households	**1,5%**	**0,1%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	1,0%	0,1%	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	0,5%	-	-	-					
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-
Other local govemment financing	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**5,8%**	**1,3%**	**-**	**0,0%**	**0,6%**	**0,1%**	**0,0%**	**-**	**0,0%**

% (compared to total covered assets in the denominator)	31/12/2024				31/12/2024				31/12/2024			
	Water and marine resources (WTR)				Circular Economy (CE)				Pollution (PPC)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator												
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Financial undertakings	**0,0%**	**-**	**-**	**-**	**0,0%**	**-**	**-**	**-**	**0,0%**	**-**	**-**	**-**
Credit institutions	0,0%	-	-	-	0,0%	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	0,0%	-	-	-	0,0%	-	-	-	-	-	-	-
Equity instruments	0,0%	-		-	0,0%	-		-	-	-		-
Other financial corporations	0,0%	-	-	-	0,0%	-	-	-	0,0%	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including Up	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
Non-financial undertakings	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**
Loans and advances	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	0,0%	0,0%	-	-	-	-	-	-
Equity instruments	0,0%	-		-	0,0%	-		-	0,0%	-		-
Households					**-**	**-**	**-**	**-**				
of which loans collateralised by residential immovable property					-	-	-	-				
of which building renovation loans					-	-	-	-				
of which motor vehicles loans												
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**

% (compared to total covered assets in the denominator)	31/12/2024				31/12/2024					Proportion of total assets covered
	Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	-	-	-	5,9%	1,3%	-	0,0%	0,6%	25,0%
Financial undertakings	**0,0%**	**-**	**-**	**-**	**2,0%**	**0,3%**	**-**	**0,0%**	**0,2%**	**5,8%**
Credit institutions	-	-	-	-	1,2%	0,1%	-	0,0%	0,0%	4,6%
Loans and advances	-	-	-	-	0,1%	0,0%	-	0,0%	0,0%	0,5%
Debt securities, including UoP	-	-	-	-	1,1%	0,1%	-	0,0%	0,0%	4,0%
Equity instruments	-	-		-	0,0%	0,0%		0,0%	0,0%	0,1%
Other financial corporations	0,0%	-	-	-	0,8%	0,2%	-	0,0%	0,2%	1,2%
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which insurance undertakings	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Loans and advances	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Debt securities, including Up	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	0,0%	0,0%		-	-	0,0%
Non-financial undertakings	**0,0%**	**-**	**-**	**-**	**2,4%**	**0,9%**	**-**	**0,0%**	**0,5%**	**4,1%**
Loans and advances	0,0%	-	-	-	1,9%	0,7%	-	0,0%	0,4%	3,2%
Debt securities, including UoP	-	-	-	-	0,3%	0,1%	-	0,0%	0,0%	0,5%
Equity instruments	0,0%	-		-	0,2%	0,1%		0,0%	0,0%	0,4%
Households					**1,5%**	**0,1%**	**-**	**-**	**-**	**15,1%**
of which loans collateralised by residential immovable property					1,0%	0,1%	-	-	-	0,8%
of which building renovation loans					-	-	-	-	-	-
of which motor vehicles loans					0,5%	-	-	-	-	0,4%
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**-**	**-**	**-**	**5,9%**	**1,3%**	**-**	**0,0%**	**0,6%**	**81,2%**

Template 3. GAR KPI stock - Capex based [FY 2023]

% (compared to total covered assets in the denominator)	31/12/2023 Climate Change Mitigation (CCM)					31/12/2023 Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding to taxonomy-relevant sectors (taxonomy eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)					Portion of total covered assets funding taxonomy-roprelevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,1%	0,6%	-	0,0%	0,3%	0,1%	0,0%	-	0,0%
Financial undertakings	**1,6%**	**0,0%**	**-**	**0,0%**	**0,0%**	**0,0%**	**-**	**-**	**-**
Credit institutions	1,5%	-	-	-	-	-	-	-	-
Loans and advances	0,0%	-	-	-	-	-	-	-	-
Debt securities, including UoP	1,5%	-	-	-	-	-	-	-	-
Equity instruments	0,0%	-		-	-	-	-		-
Other financial corporations	0,1%	0,0%	-	0,0%	0,0%	0,0%	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which insurance undertakings	0,0%	-	-	-	-	0,0%	-	-	-
Loans and advances	-	-	-	-	-	0,0%	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	-		-	-	-	-		-
Non-financial undertakings	**1,5%**	**0,5%**	**-**	**0,0%**	**0,3%**	**0,1%**	**0,0%**	**-**	**0,0%**
Loans and advances	1,1%	0,4%	-	0,0%	0,3%	0,0%	0,0%	-	0,0%
Debt securities, including UoP	0,3%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	-
Equity instruments	0,1%	0,1%		0,0%	0,0%	0,0%	-		-
Households	**2,0%**	**0,1%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	1,4%	0,1%	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	0,5%	-	-	-	-				
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**5,1%**	**0,6%**	**-**	**0,0%**	**0,3%**	**0,1%**	**0,0%**	**-**	**0,0%**

% (compared to total covered assets in the denominator)	31/12/2023					Proportion of total assets covered
	TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				
			Of which use of proceeds	Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator						
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,2%	0,7%	-	0,0%	0,3%	24,1%
Financial undertakings	**1,7%**	**0,0%**	**-**	**0,0%**	**0,0%**	**5,1%**
Credit institutions	1,5%	-	-	-	-	4,4%
Loans and advances	0,0%	-	-	-	-	0,1%
Debt securities, including UoP	1,5%	-	-	-	-	4,3%
Equity instruments	0,0%	-		-	-	0,0%
Other financial corporations	0,1%	0,0%	-	0,0%	0,0%	0,7%
of which investment firms	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-		-	-	-
of which management companies	-	-	-	-	-	0,0%
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-		-	-	0,0%
of which insurance undertakings	0,0%	-	-	-	-	0,0%
Loans and advances	0,0%	-	-	-	-	0,0%
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	0,0%	-		-	-	0,0%
Non-financial undertakings	**1,5%**	**0,6%**	**-**	**0,0%**	**0,3%**	**3,5%**
Loans and advances	1,1%	0,4%	-	0,0%	0,3%	2,5%
Debt securities, including UoP	0,3%	0,1%	-	0,0%	0,0%	0,7%
Equity instruments	0,1%	0,1%		0,0%	0,0%	0,2%
Households	**2,0%**	**0,1%**	**-**	**-**	**-**	**15,5%**
of which loans collateralised by residential immovable property	1,4%	0,1%	-	-	-	1,1%
of which building renovation loans	-	-	-	-	-	-
of which motor vehicles loans	0,5%	-	-	-	-	0,4%
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**5,2%**	**0,7%**	**-**	**0,0%**	**0,3%**	**78,9%**

Template 3. GAR KPI stock - Turnover based [FY 2024]

% (compared to total covered assets in the denominator)	31/12/2024					31/12/2024			
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,7%	0,9%	-	0,0%	0,2%	0,0%	0,0%	-	0,0%
Financial undertakings	**1,8%**	**0,1%**	**-**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**-**	**0,0%**
Credit institutions	1,2%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Loans and advances	0,1%	0,0%	-	0,0%	0,0%	0,0%	0,0%	-	-
Debt securities, including UoP	1,1%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%
Other financial corporations	0,6%	0,0%	-	0,0%	0,0%	0,0%	0,0%	-	-
of which investment firms	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which insurance undertakings	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Loans and advances	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	0,0%		-	-	0,0%	0,0%		-
Non-financial undertakings	**2,3%**	**0,6%**	**-**	**0,0%**	**0,1%**	**0,0%**	**0,0%**	**-**	**0,0%**
Loans and advances	2,0%	0,5%	-	0,0%	0,1%	0,0%	0,0%	-	0,0%
Debt securities, including UoP	0,3%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%
Households	**1,5%**	**0,1%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	1,0%	0,1%	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	0,5%	-	-	-					
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**5,7%**	**0,9%**	**-**	**0,0%**	**0,2%**	**0,0%**	**0,0%**	**-**	**0,0%**

% (compared to total covered assets in the denominator)	31/12/2024				31/12/2024				31/12/2024			
	Water and marine resources (WTR)				Circular Economy (CE)				Pollution (PPC)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator												
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Financial undertakings	**0,0%**	**-**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**-**	**-**	**-**
Credit institutions	0,0%	-	-	-	0,0%	-	-	-	0,0%	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	0,0%	-	-	-
Debt securities, including UoP	0,0%	-	-	-	0,0%	-	-	-	0,0%	-	-	-
Equity instruments	0,0%	-		-	0,0%	-		-	0,0%	-		-
Other financial corporations	0,0%	-	-	-	0,0%	0,0%	-	-	0,0%	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
Non-financial undertakings	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**
Loans and advances	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	0,0%	-	-	-	0,0%	0,0%	-	-	0,0%	-	-	-
Equity instruments	-	-		-	0,0%	-		-	0,0%	-		-
Households					**-**	**-**	**-**	**-**				
of which loans collateralised by residential immovable property					-	-	-	-				
of which building renovation loans					-	-	-	-				
of which motor vehicles loans												
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**

% (compared to total covered assets in the denominator)	31/12/2024				31/12/2024					Proportion of total assets covered
	Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Portion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	-	-	-	5,7%	0,9%	-	0,0%	0,2%	25,0%
Financial undertakings	**0,0%**	**-**	**-**	**-**	**1,9%**	**0,1%**	**-**	**0,0%**	**0,0%**	**5,8%**
Credit institutions	-	-	-	-	1,2%	0,1%	-	0,0%	0,0%	4,6%
Loans and advances	-	-	-	-	0,1%	0,0%	-	0,0%	0,0%	0,5%
Debt securities, including UoP	-	-	-	-	1,1%	0,1%	-	0,0%	0,0%	4,0%
Equity instruments	-	-		-	0,0%	0,0%		0,0%	0,0%	0,1%
Other financial corporations	0,0%	-	-	-	0,6%	0,0%	-	0,0%	0,0%	1,2%
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which insurance undertakings	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Loans and advances	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	0,0%	0,0%		-	-	0,0%
Non-financial undertakings	**0,0%**	**-**	**-**	**-**	**2,4%**	**0,7%**	**-**	**0,0%**	**0,1%**	**4,1%**
Loans and advances	0,0%	-	-	-	2,0%	0,5%	-	0,0%	0,1%	3,2%
Debt securities, including UoP	-	-	-	-	0,3%	0,1%	-	0,0%	0,0%	0,5%
Equity instruments	0,0%	-		-	0,1%	0,0%		0,0%	0,0%	0,4%
Households					**1,5%**	**0,1%**	**-**	**-**	**-**	**15,1%**
of which loans collateralised by residential immovable property					1,0%	0,1%	-	-	-	0,8%
of which building renovation loans					-	-	-	-	-	-
of which motor vehicles loans					0,5%	-	-	-	-	0,4%
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**-**	**-**	**-**	**5,7%**	**0,9%**	**-**	**0,0%**	**0,2%**	**81,2%**

Template 3. GAR KPI stock - Turnover based [FY 2023]

% (compared to total covered assets in the denominator)	31/12/2023					31/12/2023			
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4,9%	0,3%	-	0,0%	0,1%	0,1%	0,0%	-	-
Financial undertakings	**1,6%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**-**
Credit institutions	1,5%	-	-	-	-	-	-	-	-
Loans and advances	0,0%	-	-	-	-	-	-	-	-
Debt securities, including UoP	1,5%	-	-	-	-	-	-	-	-
Equity instruments	0,0%	-		-	-	-	-		-
Other financial corporations	0,1%	0,0%	-	-	0,0%	0,0%	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which insurance undertakings	0,0%	-	-	-	-	0,0%	-	-	-
Loans and advances	-	-	-	-	-	0,0%	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	-		-	-	-	-		-
Non-financial undertakings	**1,3%**	**0,2%**	**-**	**0,0%**	**0,1%**	**0,0%**	**0,0%**	**-**	**-**
Loans and advances	1,0%	0,1%	-	0,0%	0,1%	0,0%	-	-	-
Debt securities, including UoP	0,2%	0,1%	-	0,0%	0,0%	0,0%	0,0%	-	-
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,0%	-		-
Households	**2,0%**	**0,1%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	1,4%	0,1%	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	0,5%	-	-	-	-				
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-
Other local govemment financing	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**4,9%**	**0,3%**	**-**	**0,0%**	**0,1%**	**0,1%**	**0,0%**	**-**	**-**

% (compared to total covered assets in the denominator)	31/12/2023					Proportion of total assets covered
	TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				
			Of which use of proceeds	Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator						
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,0%	0,3%	-	0,0%	0,1%	24,1%
Financial undertakings	**1,6%**	**0,0%**	**-**	**-**	**0,0%**	**5,1%**
Credit institutions	1,5%	-	-	-	-	4,4%
Loans and advances	0,0%	-	-	-	-	0,1%
Debt securities, including UoP	1,5%	-	-	-	-	4,3%
Equity instruments	0,0%	-		-	-	0,0%
Other financial corporations	0,1%	0,0%	-	-	0,0%	0,7%
of which investment firms	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-		-	-	-
of which management companies	-	-	-	-	-	0,0%
Loans and advances	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	-	-		-	-	0,0%
of which insurance undertakings	0,0%	-	-	-	-	0,0%
Loans and advances	0,0%	-	-	-	-	0,0%
Debt securities, including UoP	-	-	-	-	-	-
Equity instruments	0,0%	-		-	-	0,0%
Non-financial undertakings	**1,3%**	**0,2%**	**-**	**0,0%**	**0,1%**	**3,5%**
Loans and advances	1,0%	0,1%	-	0,0%	0,1%	2,5%
Debt securities, including UoP	0,2%	0,1%	-	0,0%	0,0%	0,7%
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,2%
Households	**2,0%**	**0,1%**	**-**	**-**	**-**	**15,5%**
of which loans collateralised by residential immovable property	1,4%	0,1%	-	-	-	1,1%
of which building renovation loans	-	-	-	-	-	-
of which motor vehicles loans	0,5%	-	-	-	-	0,4%
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**5,0%**	**0,3%**	**-**	**0,0%**	**0,1%**	**78,9%**

Template 4. GAR KPI flow - Capex based [FY 2024]

% (compared to flow of total eligible assets)	31/12/2024					31/12/2024			
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy relevant sectors (taxonomy eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,1%	1,1%	-	0,0%	0,7%	0,0%	0,0%	-	0,0%
Financial undertakings	**5,0%**	**0,7%**	**-**	**0,0%**	**0,4%**	**0,0%**	**0,0%**	**-**	**0,0%**
Credit institutions	3,8%	0,4%	-	0,0%	0,1%	0,0%	0,0%	-	0,0%
Loans and advances	3,6%	0,4%	-	0,0%	0,1%	0,0%	0,0%	-	-
Debt securities, including UoP	0,2%	0,0%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%
Other financial corporations	1,2%	0,2%	-	0,0%	0,2%	0,0%	0,0%	-	-
of which investment firms	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which insurance undertakings	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Loans and advances	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	0,0%		-	-	0,0%	0,0%		-
Non-financial undertakings	**1,1%**	**0,4%**	**-**	**0,0%**	**0,3%**	**0,0%**	**0,0%**	**-**	**0,0%**
Loans and advances	0,9%	0,3%	-	0,0%	0,2%	0,0%	0,0%	-	0,0%
Debt securities, including UoP	0,0%	0,0%	-	-	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,1%	0,1%		0,0%	0,0%	0,0%	0,0%		0,0%
Households	**0,0%**	**0,0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	0,0%	0,0%	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	0,0%	-	-	-					
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-
Other local govemment financing	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**6,1%**	**1,1%**	**-**	**0,0%**	**0,7%**	**0,0%**	**0,0%**	**-**	**0,0%**

% (compared to flow of total eligible assets)	31/12/2024				31/12/2024				31/12/2024			
	Water and marine resources (WTR)				Circular Economy (CE)				Pollution (PPC)			
	Proportion of total covered assets funding sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator												
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Financial undertakings	**0,0%**	**-**	**-**	**-**	**0,0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Credit institutions	0,0%	-	-	-	0,0%	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	0,0%	-	-	-	0,0%	-	-	-	-	-	-	-
Equity instruments	0,0%	-		-	0,0%	-		-	-	-		-
Other financial corporations	-	-	-	-	0,0%	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
Non-financial undertakings	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**
Loans and advances	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	0,0%	-	-	-	-	-	-	-
Equity instruments	0,0%	0,0%		-	0,0%	0,0%		-	0,0%	0,0%		-
Households					**-**	**-**	**-**	**-**				
of which loans collateralised by residential immovable property					-	-	-	-				
of which building renovation loans					-	-	-	-				
of which motor vehicles loans												
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**

% (compared to flow of total eligible assets)	31/12/2024 Biodiversity and Ecosystems (BIO) – Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)	BIO – Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)	BIO – Of which use of proceeds	BIO – Of which enabling	31/12/2024 TOTAL (CCM + CCA + WTR + CE + PPC + BIO) – Proportion of total covered assets funding to taxonomy-relevant sectors (taxonomy eligible)	TOTAL – Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)	TOTAL – Of which use of proceeds	TOTAL – Of which transitional	TOTAL – Of which enabling	Proportion of total new assets covered
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfTeligible for GAR calculation	0,0%	-	-	-	6,2%	1,2%	-	0,0%	0,7%	28,9%
Financial undertakings	**-**	**-**	**-**	**-**	**5,1%**	**0,7%**	**-**	**0,0%**	**0,4%**	**18,0%**
Credit institutions	-	-	-	-	3,8%	0,4%	-	0,0%	0,1%	15,7%
Loans and advances	-	-	-	-	3,6%	0,4%	-	0,0%	0,1%	14,9%
Debt securities, including UoP	-	-	-	-	0,2%	0,0%	-	0,0%	0,0%	0,8%
Equity instruments	-	-		-	0,0%	0,0%		0,0%	0,0%	0,1%
Other financial corporations	-	-	-	-	1,2%	0,2%	-	0,0%	0,2%	2,3%
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which insurance undertakings	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Loans and advances	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	0,0%	0,0%		-	-	0,0%
Non-financial undertakings	**0,0%**	**-**	**-**	**-**	**1,1%**	**0,5%**	**-**	**0,0%**	**0,3%**	**2,4%**
Loans and advances	0,0%	-	-	-	1,0%	0,4%	-	0,0%	0,2%	2,1%
Debt securities, including UoP	-	-	-	-	0,0%	0,0%	-	-	0,0%	0,0%
Equity instruments	-	-		-	0,1%	0,1%		0,0%	0,0%	0,3%
Households					**0,0%**	**0,0%**	**-**	**-**	**-**	**8,6%**
of which loans collateralised by residential immovable property					0,0%	0,0%	-	-	-	0,0%
of which building renovation loans					-	-	-	-	-	-
of which motor vehicles loans					0,0%	-	-	-	-	0,0%
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**-**	**-**	**-**	**6,2%**	**1,2%**	**-**	**0,0%**	**0,7%**	**96,4%**

Template 4. KPI GAR flow - Turnover based [FY 2024]

% (compared to flow of total eligible assets)	31/12/2024					31/12/2024			
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator									
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,8%	0,6%	-	0,0%	0,2%	0,0%	0,0%	-	0,0%
Financial undertakings	**4,7%**	**0,4%**	**-**	**0,0%**	**0,1%**	**0,0%**	**0,0%**	**-**	**0,0%**
Credit institutions	3,8%	0,3%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Loans and advances	3,6%	0,3%	-	0,0%	0,0%	0,0%	0,0%	-	-
Debt securities, including UoP	0,2%	0,0%	-	0,0%	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,0%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%
Other financial corporations	0,9%	0,0%	-	0,0%	0,0%	0,0%	0,0%	-	-
of which investment firms	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-	-		-
of which insurance undertakings	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Loans and advances	0,0%	0,0%	-	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	0,0%		-	-	0,0%	0,0%		-
Non-financial undertakings	**1,0%**	**0,2%**	**-**	**0,0%**	**0,1%**	**0,0%**	**0,0%**	**-**	**0,0%**
Loans and advances	1,0%	0,2%	-	0,0%	0,1%	0,0%	0,0%	-	0,0%
Debt securities, including UoP	0,0%	0,0%	-	-	0,0%	0,0%	0,0%	-	0,0%
Equity instruments	0,1%	0,0%		0,0%	0,0%	0,0%	0,0%		0,0%
Households	**0,0%**	**0,0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which loans collateralised by residential immovable property	0,0%	0,0%	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-
of which motor vehicles loans	0,0%	-	-	-					
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-
Other local govemment financing	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**5,8%**	**0,6%**	**-**	**0,0%**	**0,2%**	**0,0%**	**0,0%**	**-**	**0,0%**

% (compared to flow of total eligible assets)	31/12/2024				31/12/2024				31/12/2024			
	Water and marine resources (WTR)				Circular Economy (CE)				Pollution (PPC)			
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)		
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
GAR – Covered assets in both numerator and denominator												
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Financial undertakings	**0,0%**	**-**	**-**	**-**	**0,0%**	**-**	**-**	**-**	**0,0%**	**-**	**-**	**-**
Credit institutions	0,0%	-	-	-	0,0%	-	-	-	0,0%	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	0,0%	-	-	-	0,0%	-	-	-	0,0%	-	-	-
Equity instruments	0,0%	-		-	0,0%	-		-	0,0%	-		-
Other financial corporations	-	-	-	-	0,0%	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which management companies	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-		-
Non-financial undertakings	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**
Loans and advances	0,0%	0,0%	-	-	0,0%	0,0%	-	-	0,0%	0,0%	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,0%	0,0%		-	0,0%	0,0%		-	0,0%	0,0%		-
Households					**-**	**-**	**-**	**-**				
of which loans collateralised by residential immovable property					-	-	-	-				
of which building renovation loans					-	-	-	-				
of which motor vehicles loans												
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**	**0,0%**	**0,0%**	**-**	**-**

% (compared to flow of total eligible assets)	31/12/2024				31/12/2024					Proportion of total new assets covered
	Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy eligible)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy aligned)				
			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
GAR – Covered assets in both numerator and denominator										
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0%	-	-	-	5,8%	0,6%	-	0,0%	0,2%	28,9%
Financial undertakings	**-**	**-**	**-**	**-**	**4,7%**	**0,4%**	**-**	**0,0%**	**0,1%**	**18,0%**
Credit institutions	-	-	-	-	3,8%	0,3%	-	0,0%	0,0%	15,7%
Loans and advances	-	-	-	-	3,6%	0,3%	-	0,0%	0,0%	14,9%
Debt securities, including UoP	-	-	-	-	0,2%	0,0%	-	0,0%	0,0%	0,8%
Equity instruments	-	-		-	0,0%	0,0%		0,0%	0,0%	0,1%
Other financial corporations	-	-	-	-	0,9%	0,0%	-	0,0%	0,0%	2,3%
of which investment firms	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which management companies	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	-	-		-	-	-
of which insurance undertakings	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Loans and advances	-	-	-	-	0,0%	0,0%	-	-	-	0,0%
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-		-	0,0%	0,0%		-	-	0,0%
Non-financial undertakings	**0,0%**	**-**	**-**	**-**	**1,1%**	**0,2%**	**-**	**0,0%**	**0,1%**	**2,4%**
Loans and advances	0,0%	-	-	-	1,0%	0,2%	-	0,0%	0,1%	2,1%
Debt securities, including UoP	-	-	-	-	0,0%	0,0%	-	-	0,0%	0,0%
Equity instruments	-	-		-	0,1%	0,0%		0,0%	0,0%	0,3%
Households					**0,0%**	**0,0%**	**-**	**-**	**-**	**8,6%**
of which loans collateralised by residential immovable property					0,0%	0,0%	-	-	-	0,0%
of which building renovation loans					-	-	-	-	-	-
of which motor vehicles loans					0,0%	-	-	-	-	0,0%
Local government financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Housing financing	-	-	-	-	-	-	-	-	-	-
Other local govamment financing	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total GAR assets	**0,0%**	**-**	**-**	**-**	**5,8%**	**0,6%**	**-**	**0,0%**	**0,2%**	**96,4%**

As can be seen from Template 1, KPIs related to eligible and aligned Financial Guarantees and Assets under Management are zero; for this reason, like last year, Banca Ifis Group has not published Template 5 (KPI off-balance sheet exposures) with reference to the FY 2024.

5.2.1 Annex XII to Delegated Regulation (EU) 2021/2178

For the purposes of reporting on the exposures of its nuclear and fossil gas related activities, Banca Ifis Group publishes the following templates with reference to the applicable KPIs for FY2024: GAR Stock and GAR Flow. For this reason, the Total Applicable KPI reported in the following models is equal to the Total Covered Assets (TCA) stock and the Total Covered Assets (TCA) flow, respectively, as reported in line 8 of Template 2 of Annex XII. Accordingly, in continuity with the previous year, for the purposes of compiling Template 4 and Template 5 of Appendix XII, the Group considered the Total Covered Asset (TCA) of Stock and the Total Covered Asset (TCA) of Flow as the denominator for the calculation of the percentage values.

In addition, as can be seen from Template 1 in Annex VI, the Group has not identified eligible/aligned activities related to Financial Guarantees and Asset Under Management. For this reason, Annex XII templates referring to these types of activities have not been reported.

The amounts shown in the Templates below are expressed in million Euro.

Template 1. Nuclear and fossil gas related activities [FY 2024]

Nuclear energy related activities	
The undertakings carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facility that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
The undertakings carries out, funds or has exposures to the construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purpose of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technology.	YES
The undertakings carries out, funds or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purpose of district heating or industrial processes such as the hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities	
The undertakings carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuel .	YES
The undertakings carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
The undertakings carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2. Taxonomy-aligned economic activities (denominator) - Capex based (Stock) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,0	0,1%	14,0	0,1%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**130,7**	**1,1%**	**129,5**	**1,1%**	**1,2**	**0,0%**
8	**Total applicable KPI**	**11.436,2**	**100,0%**	**11.436,2**	**100,0%**	**11.436,2**	**100,0%**

Template 2. Taxonomy-aligned economic activities (denominator) - Turnover based (Stock) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,3	0,0%	0,3	0,0%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**98,8**	**0,9%**	**98,5**	**0,9%**	**0,3**	**0,0%**
8	**Total applicable KPI**	**11.436,2**	**100,0%**	**11.436,2**	**100,0%**	**11.436,2**	**100,0%**

Template 3. Taxonomy-aligned economic activities (numerator) - Capex based (Stock) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,2	0,1%	0,2	0,2%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3,1	2,2%	3,1	2,2%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,2%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**141,3**	**97,6%**	**140,1**	**97,6%**	**1,2**	**99,8%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**144,8**	**100,0%**	**143,6**	**100,0%**	**1,2**	**100,0%**

Template 3. Taxonomy-aligned economic activities (numerator) - Turnover based (Stock) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,1	0,1%	0,1	0,1%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5,2	5,3%	5,2	5,3%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,2	0,2%	0,1	0,1%	0,1	28,6%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**93,6**	**94,5%**	**93,4**	**94,5%**	**0,2**	**71,4%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**99,1**	**100,0%**	**98,8**	**100,0%**	**0,3**	**100,0%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities, Capex based (Stock) [FY 2024]

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,6	0,0%	0,5	0,0%	0,1	0,0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,3	0,0%	0,3	0,0%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**523,1**	**4,6%**	**515,7**	**4,5%**	**7,3**	**0,1%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**524,0**	**4,6%**	**516,5**	**4,5%**	**7,4**	**0,1%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities, Turnover based (Stock) [FY 2024]

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,7	0,0%	0,7	0,0%	-	-
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,6	0,0%	0,6	0,0%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
7	**Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities nlot referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**549,6**	**4,8%**	**547,4**	**4,8%**	**2,2**	**0,0%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**551,0**	**4,8%**	**548,7**	**4,8%**	**2,2**	**0,0%**

Template 5. Taxonomy non-eligible economic activities - Capex based (Stock) [FY 2024]

Row	Economic activities	Amount	Percentage
1	Amount and propotion of the economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
2	Amount and proportion of the economic activity referred to in row 2 of template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
3	Amount and proportion of the economic activity referred to in row 3 of template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,2	0,0%
4	Amount and proportion of the economic activity referred to in row 4 of template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
5	Amount and proportion of the economic activity in row 5 of template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
6	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred in rows 1 to 6 above in the denominator of the applicable KPI**	**10.767,2**	**94,2%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**10.767,4**	**94,2%**

Template 5. Taxonomy non-eligible economic activities - Turnover based (Stock) [FY 2024]

Row	Economic activities	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
2	Amount and proportion of the economic activity referred to in row 2 of template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of the economic activity referred to in row 3 of template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,3	0,0%
4	Amount and proportion of the economic activity referred to in row 4 of template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
5	Amount and proportion of the economic activity in row 5 of template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
6	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred in rows 1 to 6 above in the denominator of the applicable KPI**	**10.785,7**	**94,3%**
8	**Total amount proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**10.786,1**	**94,3%**

Template 2. Taxonomy-aligned economic activities (denominator) - Capex based (Flow) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	0,0%	-	0,0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,1	0,0%	2,1	0,0%	-	0,0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,2	0,0%	0,2	0,0%	-	0,0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	0,0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	0,0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	0,0%	-	0,0%
7	**Amount and proportion of taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**544,0**	**1,1%**	**541,9**	**1,1%**	**2,1**	**0,0%**
8	**Total applicable KPI**	**48.641,8**	**100,0%**	**48.641,8**	**100,0%**	**48.641,8**	**100,0%**

Template 2. Taxonomy-aligned economic activities (denominator) - Turnover based (Flow) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,0	0,0%	1,0	0,0%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	**Amount and proportion of taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**286,8**	**0,6%**	**286,4**	**0,6%**	**0,4**	**0,0%**
8	**Total applicable KPI**	**48.641,8**	**100,0%**	**48.641,8**	**100,0%**	**48.641,8**	**100,0%**

Template 3. Taxonomy-aligned economic activities (numerator) - Capex based (Flow) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,6	0,1%	0,6	0,1%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4,5	0,8%	4,5	0,8%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,1	0,0%	0,1	0,0%	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,1%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**541,0**	**99,0%**	**538,9**	**99,0%**	**2,1**	**99,9%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**546,2**	**100,0%**	**544,1**	**100,0%**	**2,1**	**100,0%**

Template 3. Taxonomy-aligned economic activities (numerator) - Turnover based (Flow) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,4	0,1%	0,4	0,1%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	6,8	2,3%	6,8	2,4%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,1	0,0%	0,1	0,0%	0,1	16,4%
6	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
7	**Amount and share proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**280,6**	**97,5%**	**280,2**	**97,5%**	**0,3**	**83,6%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**287,9**	**100,0%**	**287,4**	**100,0%**	**0,4**	**100,0%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities, Capex based (Flow) [FY 2024]

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,6	0,0%	1,3	0,0%	0,2	0,0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11,3	0,0%	11,3	0,0%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2.444,6**	**5,0%**	**2.434,7**	**5,0%**	**9,9**	**0,0%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2.457,4**	**5,1%**	**2.447,3**	**5,0%**	**10,1**	**0,0%**

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities, Turnover based (Flow) [FY 2024]

Row	Economic activities	Amount and proportion (information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,0%	0,00	0,0%	-	-
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,8	0,0%	1,8	0,0%	-	-
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12,0	0,0%	12,0	0,0%	-	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	-	-
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2.513,7**	**5,2%**	**2.511,1**	**5,2%**	**2,60**	**0,0%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2.527,6**	**5,2%**	**2.525,0**	**5,2%**	**2,60**	**0,0%**

Template 5. Taxonomy non-eligible economic activities - Capex based (Flow) [FY 2024]

Row	Economic activities	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and proportion of the economic activity referred to in row 2 of template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
3	Amount and proportion of the economic activity referred to in row 3 of template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,4	0,0%
4	Amount and proportion of the economic activity referred to in row 4 of template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
5	Amount and proportion of the economic activity in row 5 of template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
6	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**45.637,7**	**93,8%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**45.638,1**	**93,8%**

Template 5. Taxonomy non-eligible economic activities - Turnover based (Flow) [FY 2024]

Row	Economic activities	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with section 4.26 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
2	Amount and proportion of the economic activity referred to in row 2 of template 1 that is taxonomy-non-eligible in accordance with section 4.27 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of the economic activity referred to in row 3 of template 1 that is taxonomy-non-eligible in accordance with section 4.28 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,8	0,0%
4	Amount and proportion of the economic activity referred to in row 4 of template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
5	Amount and proportion of the economic activity in row 5 of template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
6	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with section 4.31 of Annexes I and II of Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**45.825,5**	**94,2%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**45.826,3**	**94,2%**

5.2 Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement

[IRO-2 DP 56]

The table below provides details of the regulatory obligations reported within the sustainability Statement, indicating their reference within the document.

Disclosure requirement		Sections in the Sustainability Statement
ESRS 2 – General disclosures		
BP-1	General basis for preparation of sustainability statements	1.1.1 Basis for preparation
BP-2	Disclosure in relation to specific circumstances	1.1.1 Basis for preparation
GOV-1	Role of the administrative, management and supervisory bodies	1.1.3 Governance
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.1.3 Governance
GOV-3	Integration of sustainability-related performance in incentive schemes	1.1.3 Governance
GOV-4	Statement on due diligence	1.1.3 Governance
GOV-5	Risk management and internal controls over the Sustainability Statement	1.1.3 Governance
SBM-1	Strategy, business model and value chain	1.1.2 Strategy
SBM-2	Interests and views of stakeholders	1.1.2 Strategy
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.1.4 Impact, risk and opportunity management: Double materiality assessment
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.1.4 Impact, risk and opportunity management: Double materiality assessment
IRO-2	Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement	5.2 Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement
ESRS E1 - Climate change		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	1.1.3 Governance
E1-1	Transition plan for climate change mitigation	2.2.1 Transition Plan
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.2 Energy, Adaptation and Mitigation of Climate Change

Disclosure requirement		Sections in the Sustainability Statement
		(Relevant impacts, risks and opportunities)
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.1.4 Impact, risk and opportunity management: Double materiality assessment
E1-2	Policies related to climate change mitigation and adaptation	2.2.2 Energy, Adaptation and Mitigation of Climate Change (The approach and reference policies)
E1-3	Actions and resources in relation to climate change policies	2.2.2 Energy, adaptation and mitigation of climate change (Actions)
E1-4	Targets related to climate change mitigation and adaptation	2.2.3 Objectives
E1-5	Energy consumption and mix	2.2.4 Metrics
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.4 Metrics
ESRS E4 - Biodiversity and ecosystems		
E4-2	Policies related to biodiversity and ecosystems	2.3 E4 - Biodiversity and ecosystems (The approach and reference policies)
ESRS S1 - Own workforce		
ESRS 2, SBM-2	Interests and views of stakeholders	1.1.2 Strategy
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1 S1 - Own workforce (Relevant impacts, risks and opportunities)
S1-1	Policies related to own workforce	3.1.1 Health and safety; 3.1.2 Work-life balance; 3.1.3 Training and skills development; 3.1.4 Equal treatment and opportunities for all; 3.1.5 Working conditions; 3.1.6 Other work-related rights (privacy) (The Group's approach and policies)
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1.7 Involvement processes
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.8 Channels
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and	3.1.1 Health and safety; 3.1.2 Work-life balance; 3.1.3 Training and skills development; 3.1.4 Equal treatment and opportunities for all; 3.1.5 Working conditions; 3.1.6 Other

Disclosure requirement		Sections in the Sustainability Statement
		work-related rights (privacy) (Actions)
S1-5	Targets related to managing material negative impacts,advancing positive impacts, and managing material risks and opportunities	3.1.9 Objectives
S1-6	Characteristics of the company's employees	3.1.10 Metrics
S1-8	Collective bargaining coverage and social dialogue	3.1.10 Metrics
S1-9	Diversity metrics	3.1.10 Metrics
S1-10	Adequate wages	3.1.10 Metrics
S1-12	Persons with disabilities	3.1.10 Metrics
S1-13	Training and skills development metrics	3.1.10 Metrics
S1-14	Health and safety metrics	3.1.10 Metrics
S1-16	Compensation metrics (pay gap and total compensation)	3.1.10 Metrics
S1-17	Incidents, complaints and severe human rights impacts	3.1.10 Metrics
ESRS S2 - Workers in the value chain		
ESRS 2, SBM-2	Interests and views of stakeholders	1.1.2 Strategy
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.2 S2 - Workers in the value chain (Relevant impacts, risks and opportunities)
S2-1	Policies related to value chain workers	3.2.1 Worker-related rights in the value chain (Group approach and policies)
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.2 Channels
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2.1 Worker-related rights in the value chain (Actions)
S2-5	Targets related to managing material negative impacts,advancing positive impacts, and managing material risks and opportunities	3.2.3 Objectives
ESRS S3 - Affected communities		
ESRS 2, SBM-2	Interests and views of stakeholders	1.1.2 Strategy

Disclosure requirement		Sections in the Sustainability Statement
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1 S3 - Affected communities (Relevant impacts, risks and opportunities)
S3-1	Policies on affected communities	3.3.1 Commitment to affected communities (Approach and reference policies)
S3-2	Processes for engaging with affected communities about impacts	3.3.2 Involvement processes
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3.1 Commitment to affected communities (Actions)
S3-5	Targets related to managing material negative impacts,advancing positive impacts, and managing material risks and opportunities	3.3.3 Objectives
ESRS S4 - Consumers and end-users		
ESRS 2, SBM-2	Interests and views of stakeholders	1.1.2 Strategy
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1 S4 - Consumers and end-users (Relevant impacts, risks and opportunities)
S4-1	Policies related to consumers and end-users	3.4.1 Access to (quality) information; 3.4.2 Confidentiality; 3.4.3 Access to products and services; 3.4.4 Responsible business practices (Approach and reference policies)
S4-2	Processes for engaging with consumers and end- users about impacts	3.4.5 Involvement processes
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4.6 Channels
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4.1 Access to (quality) information; 3.4.2 Confidentiality; 3.4.3 Access to products and services; 3.4.4 Responsible business practices (Actions)
S4-5	Targets related to managing material negative impacts,advancing positive impacts, and managing material risks and opportunities	3.4.7 Objectives
ESRS G1 - Business conduct		

Disclosure requirement		Sections in the Sustainability Statement
ESRS 2, GOV-1	Role of the administrative, management and supervisory bodies	1.1.3 Governance
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.1.4 Impact, risk and opportunity management: Double materiality assessment
G1-1	Business conduct policies and corporate culture	4.1.1 Corporate Culture and Protection of Whistleblowers; 4.1.3 Corruption and bribery; 4.1.4 Political Influence and lobbying activities (Approach and reference policies)
G1-2	Management of relations with suppliers	4.1.2 Management of relations with suppliers
G1-3	Prevention and detection of corruption and bribery	4.1.3 Corruption and bribery
G1-4	Established cases of corruption or bribery	4.1.6 Metrics
G1-5	Political influence and lobbying activities	4.1.6 Metrics
G1-6	Payment practices	4.1.6 Metrics

[IRO-2 DP 56]

Disclosure Requirement and related datapoint	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Sections in the Sustainability Statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		1.1.3 Governance
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			X		1.1.3 Governance
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				1.1.3 Governance
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	X	X	X		Not material
ESRS 2 SBM-1 Involvement in activities related to chemicals production paragraph 40 (d) ii	X		X		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 d iv			X		Not material
ESRS E1-1 Transition Plan to reach climate neutrality by 2050 paragraph				X	2.2.1 Transition Plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		X	X		2.2.1 Transition Plan
ESRS E1-4 GHG emission reduction targets paragraph 34	X	X	X		2.2.3 Objectives
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (only high climate impact sectors) paragraph 38	X				Not material
ESRS E1-5 Energy consumption and mix paragraph 37	X				2.2.4 Metrics
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				Not material
ESRS E1-6 Gross scopes 1, 2, 3 and total GHG emissions paragraph 44	X	X	X		2.2.4 Metrics
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	X	X	X		2.2.4 Metrics Paragraph 54 Not material
ESRS E1-7 GHG removals and carbon credits, paragraph 56				X	Not material
ESRS E1-9			X		Phase-in

Disclosure Requirement and related datapoint	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Sections in the Sustainability Statement
Exposure of the benchmark portfolio to climate-related physical risks paragraph 66					
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		X			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		X			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			X		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				Not material
ESRS E3-1 Water and marine resources paragraph 9	X				Not material
ESRS E3-1 Dedicated policy paragraph 13	X				Not material
ESRS E3-1 Sustainability oceans and seas paragraph 14	X				Not material
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	X				Not material
ESRS E3-4 Total water consumption in m^3 per net revenues on own operations paragraph 29	X				Not material
ESRS 2 SBM-3 - E4 paragraph 16 (a) i	X				Not material
ESRS 2 SBM-3 - E4 paragraph 16 (b)	X				Not material
ESRS 2 SBM-3 - E4 paragraph 16 (c)	X				Not material
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	X				Not material
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	X				Not material
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	X				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X				Not material
ESRS E5-5	X				Not material

Disclosure Requirement and related datapoint	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Sections in the Sustainability Statement
Hazardous waste and radioactive waste paragraph 39					
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	X				Not material
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	X				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	X				3.1.5 Working conditions (Approach and reference policies)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			X		3.1.5 Working conditions (Approach and reference policies)
ESRS S1-1 Process and measures for preventing trafficking in human beings paragraph 22	X				3.1.5 Working conditions (Approach and reference policies)
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	X				3.1.1 Health and safety (Approach and reference policies)
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	X				3.1.8 Channels
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	X		X		3.1.10 Metrics
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness paragraph 88 (e)	X				3.1.10 Metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X		X		3.1.10 Metrics
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X				3.1.10 Metrics
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X				3.1.10 Metrics
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	X		X		3.1.10 Metrics
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	X				3.2.1 Worker-related rights in the value chain (Approach and reference policies)
ESRS S2-1 Policies related to value chain workers paragraph 18	X				Not material

Disclosure Requirement and related datapoint	SFDR reference (1)	Pillar 3 reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Sections in the Sustainability Statement
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD Guidelines paragraph 19	X		X		3.2.1 Worker-related rights in the value chain (Approach and reference policies)
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			X		3.2.1 Worker-related rights in the value chain (Approach and reference policies)
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X				3.2.1 Worker-related rights in the value chain (Actions)
ESRS S3-1 Human rights policy commitments paragraph 16	X				3.3.1 Commitment to affected communities (Approach and reference policies)
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD Guidelines paragraph 17	X		X		3.3.1 Commitment to affected communities (Approach and reference policies)
ESRS S3-4 Human rights issues and incidents paragraph 36	X				3.3.1 Commitment to affected communities (Actions)
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X				3.4.2 Confidentiality (Approach and reference policies)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 17	X		X		3.4.2 Confidentiality (Approach and reference policies)
ESRS S4-4 Human rights issues and incidents, paragraph 35	X				3.4.4 Responsible business practices (Actions)
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	X				Not material
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	X				Not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	X		X		4.1.6 Metrics
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	X				4.1.6 Metrics

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR) (OJ L 317, 09 December 2019, p. 1).
(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (regulation on capital requirements) (OJ L 176, 27 June 2013, p. 1).
(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29 June 2016, p. 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ('European Climate Regulation') (OJ L 243, 9 July 2021, p. 1).

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 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

With reference to the Report on Corporate Governance and Shareholding Structure, reference is made to the latest version prepared in accordance with the third paragraph of Art. 123-bis of Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance, or "TUF"), i.e. that prepared for FY 2024 in the form of a separate report from the Directors' Report on the Group, approved by the Board of Directors on 6 March 2025 and published together with the Consolidated Financial Statements for the year ended 31 December 2024. This document is also made available in the “About us” section, "Corporate Governance" subsection, paragraph on "Reports and Documents", sub-paragraph "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 “About us” section, "Corporate governance" subsection, paragraph on "Remuneration" of the corporate website www.bancaifis.it includes the "2024 Report on Remuneration Policy and Remuneration Paid", drafted pursuant to Article 123 ter of the TUF, where the remuneration policy valid for FY 2024 for the Banca Ifis Group is illustrated.

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 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.

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.

In 2024, Banca Ifis, as variable pay, awarded the Top Management 104.132 treasury shares at an average price of 12,32 Euro, for a total of 1,3 million Euro and a nominal amount of 104.132 Euro, making profits of 437 thousand Euro that, in application of the provisions of Bank of Italy Circular no. 262/2005 and subsequent updates, were recognised under the equity reserve “Issue premiums”.

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

Considering the above operations, the stock at the end of the year was 1.238.886 treasury shares, with an equivalent value of 21,0 million Euro and a nominal amount of 1.238.886 Euro.

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

Transactions with Group companies and related parties

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

During 2024, no significant transactions with related parties were undertaken outside the scope of the Consolidated Financial Statements.

The disclosure on related party transactions and the description of the most significant transactions concluded with related parties during the financial year, provided for by the Regulation adopted by Consob with resolution No. 17221 of 12 March 2010 and subsequent amendments, are reported in "Part H - Related-party transactions" of the Notes to the Consolidated Financial Statements, to which reference should be made.

Atypical or unusual transactions

During 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 Chairmanship in Rome and operational offices in Milan. There are no branch offices.

Human resources

At 31 December 2024, the Banca Ifis Group had 2.013 employees (1.940 at 31 December 2023). Below is a breakdown of the workforce by classification level.

GROUP EMPLOYEES BY CLASSIFICATION LEVEL	31.12.2024		31.12.2023		CHANGES	
	Number	%	Number	%	Number	%
Senior managers	99	4,9%	100	5,2%	(1)	(1,0)%
Middle managers	653	32,4%	608	31,3%	45	7,4%
Clerical staff	1.261	62,6%	1.232	63,5%	29	2,4%
Total Group employees	**2.013**	**100,0%**	**1.940**	**100,0%**	**73**	**3,8%**

Research and development activities

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

Venice - Mestre, 6 March 2025

For the Board of Directors

The CEO

Frederik Herman Geertman

2024 Annual Report

Consolidated Financial Statements

Banca Ifis

Consolidated Statement of Financial Position

	ASSETS (in thousands of Euro)	31.12.2024	31.12.2023
10.	Cash and cash equivalents	505.016	857.533
20.	Financial assets measured at fair value through profit or loss	249.101	234.878
	a) financial assets held for trading	*12.069*	*12.896*
	c) other financial assets mandatorily measured at fair value	*237.032*	*221.982*
30.	Financial assets measured at fair value through other comprehensive income	701.830	749.176
40.	Financial assets measured at amortised cost	11.513.781	11.259.701
	a) receivables due from banks	*703.763*	*637.567*
	b) receivables due from customers	*10.810.018*	*10.622.134*
50.	Hedging derivatives	7.404	-
70.	Equity investments	24	24
90.	Property, plant and equipment	166.665	143.255
100.	Intangible assets	85.488	76.667
	of which:		
	- goodwill	*38.020*	*38.020*
110.	Tax assets:	213.464	285.435
	a) current	*42.033*	*46.601*
	b) deferred	*171.431*	*238.834*
130.	Other assets	382.965	444.692
	Total assets	**13.825.738**	**14.051.361**

	LIABILITIES AND EQUITY (in thousands of Euro)	31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	11.597.750	11.820.658
	a) payables due to banks	*1.443.250*	*2.717.139*
	b) payables due to customers	*7.001.763*	*5.814.624*
	c) debt securities issued	*3.152.737*	*3.288.895*
20.	Financial liabilities held for trading	13.765	14.005
40.	Hedging derivatives	14.868	11.644
60.	Tax liabilities:	51.924	57.717
	a) current	*23.345*	*26.025*
	b) deferred	*28.579*	*31.692*
80.	Other liabilities	339.377	387.554
90.	Post-employment benefits	7.569	7.906
100.	Provisions for risks and charges:	52.339	58.178
	a) commitments and guarantees granted	*5.559*	*5.374*
	b) pensions and similar obligations	*231*	*196*
	c) other provisions for risks and charges	*46.549*	*52.608*
120.	Valuation reserves	(28.144)	(39.215)
150.	Reserves	1.543.729	1.505.424
155.	Interim dividends (-)	(63.084)	(62.962)
160.	Share premiums	85.391	84.108
170.	Share capital	53.811	53.811
180.	Treasury shares (-)	(20.971)	(21.817)
190.	Equity attributable to non-controlling interests (+/-)	15.836	14.240
200.	Profit (loss) for the year (+/-)	161.578	160.110
	Total liabilities and equity	**13.825.738**	**14.051.361**

Consolidated Income Statement

	ITEMS (in thousands of Euro)	31.12.2024	31.12.2023
10.	Interest receivable and similar income	835.367	774.427
	of which: interest income calculated using the effective interest method	*817.699*	*768.011*
20.	Interest due and similar expenses	(433.349)	(343.059)
30.	**Net interest income**	**402.018**	**431.368**
40.	Commission income	111.574	112.271
50.	Commission expense	(19.799)	(14.050)
60.	**Net commission income**	**91.775**	**98.221**
70.	Dividends and similar income	12.543	16.172
80.	Net profit (loss) from trading	(1.924)	(5.306)
90.	Net result from hedging	(1.140)	(100)
100.	Profit (loss) from sale or buyback of:	40.934	16.585
	a) financial assets measured at amortised cost	*32.666*	*12.902*
	b) financial assets measured at fair value through other comprehensive income	*8.204*	*2.656*
	c) financial liabilities	*64*	*1.027*
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	24.127	13.245
	b) other financial assets mandatorily measured at fair value	*24.127*	*13.245*
120.	**Net banking income**	**568.333**	**570.185**
130.	Net credit risk losses/reversals on:	93.397	79.257
	a) financial assets measured at amortised cost	*92.914*	*79.337*
	b) financial assets measured at fair value through other comprehensive income	*483*	*(80)*
150.	**Net profit (loss) from financial activities**	**661.730**	**649.442**
180.	**Net profit (loss) from financial and insurance activities**	**661.730**	**649.442**
190.	Administrative expenses:	(426.136)	(424.659)
	a) personnel expenses	*(169.852)*	*(163.802)*
	b) other administrative expenses	*(256.284)*	*(260.857)*
200.	Net allocations to provisions for risks and charges	(726)	(4.111)
	a) commitments and guarantees granted	*(248)*	*3.810*
	b) other net allocations	*(478)*	*(7.921)*
210.	Net impairment losses/reversals on property, plant and equipment	(12.215)	(9.721)
220.	Net impairment losses/reversals on intangible assets	(11.061)	(7.985)
230.	Other operating income/expenses	33.750	33.605
240.	**Operating costs**	**(416.388)**	**(412.871)**
280.	Gains (losses) on disposal of investments	-	986
290.	**Pre-tax profit (loss) for the period from continuing operations**	**245.342**	**237.557**
300.	Income taxes for the year relating to current operations	(82.168)	(75.641)
330.	**Profit (loss) for the year**	**163.174**	**161.916**
340.	Profit (loss) for the year attributable to non-controlling interests	(1.596)	(1.806)
350.	**Profit (loss) for the year attributable to the Parent company**	**161.578**	**160.110**

Earnings per share and diluted earnings per share	31.12.2024	31.12.2023
Earnings per share (EPS)	**3,08**	**3,05**
Diluted earnings per share (EPS)	**3,03**	**3,05**

Consolidated Statement of Comprehensive Income

	ITEMS (in thousands of Euro)	31.12.2024	31.12.2023
10.	**Profit (loss) for the year**	**163.174**	**161.916**
	Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**(3.657)**	**(4.561)**
20.	Equity securities measured at fair value through other comprehensive income	(3.788)	(4.466)
40.	Hedging of equity securities measured at fair value through other comprehensive income	(153)	-
70.	Defined benefit plans	284	(95)
	Other comprehensive income, net of taxes, to be reclassified to profit or loss	**3.102**	**19.815**
120.	Exchange differences	709	2.994
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	2.393	16.821
200.	**Other comprehensive income, net of taxes**	**(555)**	**15.254**
210.	**Comprehensive income (Item 10 + 200)**	**162.619**	**177.170**
220.	Consolidated comprehensive income attributable to non-controlling interests	(1.597)	(1.806)
230.	**Consolidated comprehensive income attributable to the Parent company**	**161.022**	**175.364**

Consolidated Statement of Changes in Equity as at 31 December 2024

(in thousands of Euro)	Balance at 31.12.2023	Change in opening balances	Balance at 01.01.2024	Allocation of profit from previous year		Changes during the year										Consolidated equity at 31.12.2024	Group equity at 31.12.2024	Equity attributable to non-controlling interest at 31.12.2024
							Equity transactions											
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Buyback of treasury shares	Interim dividends	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests	Comprehensive income for the year			
Share capital:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	**X**	**X**	**X**
a) ordinary shares	59.589	X	59.589	-	X	X	-	-	X	X	X	X	X	-	X	**59.589**	**53.811**	**5.778**
b) other shares	-	X	-	-	X	X	-	-	X	X	X	X	X	-	X	**-**	**-**	**-**
Share premiums	85.728	X	85.728	-	X	846	437	X	X	X	X	X	X	-	X	**87.011**	**85.391**	**1.620**
Reserves:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	**X**	**X**	**X**
a) retained earnings	1.496.626	-	1.496.626	51.676	X	(11.720)	-	-	X	-	X	X	X	-	X	**1.536.582**	**1.530.796**	**5.786**
b) other	13.815	-	13.815	-	X	-	-	X	X	-	X	-	155	-	X	**13.970**	**12.933**	**1.037**
Valuation reserves	(39.197)	-	(39.197)	X	X	11.626	X	X	X	X	X	X	X	-	(555)	**(28.126)**	**(28.144)**	**18**
Equity instruments	-	X	-	X	X	X	X	X	X	X	-	X	X	-	X	**-**	**-**	**-**
Interim dividends	(62.962)	X	(62.962)	X	62.962	X	X	X	(63.084)	X	X	X	X	X	X	**(63.084)**	**(63.084)**	**-**
Treasury shares	(21.817)	X	(21.817)	X	X	X	846	-	X	X	X	X	X	X	X	**(20.971)**	**(20.971)**	**-**
Profit (loss) for the year	161.916	-	161.916	(51.676)	(110.240)	X	X	X	X	X	X	X	X	X	163.174	**163.174**	**161.578**	**1.596**
Consolidated equity	**1.693.699**	**-**	**1.693.699**	**-**	**(47.278)**	**752**	**1.283**	**-**	**(63.084)**	**-**	**-**	**-**	**155**	**-**	**162.619**	**1.748.146**	**X**	**X**
Group equity	**1.679.459**	**-**	**1.679.460**	**-**	**(47.278)**	**752**	**1.283**	**-**	**(63.084)**	**-**	**-**	**-**	**155**	**-**	**161.022**	**1.732.310**	**1.732.310**	**X**
Equity attributable to non-controlling interests	**14.240**	**-**	**14.240**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.597**	**15.836**	**X**	**15.836**

Consolidated Statement of Changes in Equity as at 31 December 2023

(in thousands of Euro)	Balance at 31.12.2022	Change in opening balances	Balance at 01.01.2023	Allocation of profit from previous year: Reserves	Allocation of profit from previous year: Dividends and other allocations	Changes during the year: Changes in reserves	Changes during the year – Equity transactions: Issue of new shares	Equity transactions: Buyback of treasury shares	Equity transactions: Interim dividends	Equity transactions: Extraordinary distribution of dividends	Equity transactions: Changes in equity instruments	Equity transactions: Derivatives on treasury shares	Equity transactions: Stock options	Equity transactions: Changes in equity interests	Comprehensive income for the year	Consolidated equity at 31.12.2023	Group equity at 31.12.2023	Equity attributable to non-controlling interest at 31.12.2023
Share capital:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	**X**	**X**	**X**
a) ordinary shares	59.587	X	59.587	-	X	X	-	-	X	X	X	X	X	2	X	**59.589**	**53.811**	**5.778**
b) other shares	-	X	-	-	X	X	-	-	X	X	X	X	X	-	X	**-**	**-**	**-**
Share premiums	85.387	X	85.387	-	X	287	54	X	X	X	X	X	X	-	X	**85.728**	**84.108**	**1.620**
Reserves:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	**X**	**X**	**X**
a) retained earnings	1.431.977	-	1.431.977	68.469	X	(3.820)	-	-	X	-	X	X	X	-	X	**1.496.626**	**1.492.646**	**3.980**
b) other	13.184	-	13.184	-	X	(477)	-	X	X	-	X	-	1.108	-	X	**13.815**	**12.778**	**1.037**
Valuation reserves	(59.704)	-	(59.704)	X	X	5.253	X	X	X	X	X	X	X	-	15.254	**(39.197)**	**(39.215)**	**18**
Equity instruments	-	X	-	X	X	X	X	X	X	X	-	X	X	-	X	**-**	**-**	**-**
Interim dividends	(52.433)	X	(52.433)	X	52.433	X	X	X	(62.962)	X	X	X	X	X	X	**(62.962)**	**(62.962)**	**-**
Treasury shares	(22.104)	X	(22.104)	X	X	X	287	-	X	X	X	X	X	X	X	**(21.817)**	**(21.817)**	**-**
Profit (loss) for the year	141.887	-	141.887	(68.469)	(73.418)	X	X	X	X	X	X	X	X	X	161.916	**161.916**	**160.110**	**1.806**
Consolidated equity	**1.597.781**	**-**	**1.597.781**	**-**	**(20.985)**	**1.243**	**341**	**-**	**(62.962)**	**-**	**-**	**-**	**1.108**	**2**	**177.170**	**1.693.699**	**X**	**X**
Group equity	**1.585.349**	**-**	**1.585.349**	**-**	**(20.985)**	**1.243**	**341**	**-**	**(62.962)**	**-**	**-**	**-**	**1.108**	**-**	**175.364**	**1.679.459**	**1.679.459**	**X**
Equity attributable to non-controlling interests	**12.432**	**-**	**12.432**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**1.806**	**14.240**	**X**	**14.240**

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT Indirect method (in thousands of Euro)	Amount 31.12.2024	 31.12.2023
A. OPERATING ACTIVITIES		
1. Operations	**162.924**	**180.072**
- profit (loss) for the year (+/-)	163.174	161.916
- profit/loss on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	(22.203)	(7.939)
- gains/losses on hedging (-/+)	1.140	100
- net credit risk losses/reversals (+/-)	(93.397)	(79.257)
- net impairment losses/reversals on property, plant and equipment and intangible assets (+/-)	23.276	17.706
- net allocations to provisions for risks and charges and other expenses/income (+/-)	7.968	10.930
- unpaid taxes, duties and tax credits (+/-)	82.168	75.641
- other adjustments (+/-)	798	975
2. Cash flows generated/absorbed by financial assets	**(56.458)**	**(248.110)**
- financial assets held for trading	4.449	(4.119)
- other assets mandatorily measured at fair value	9.077	(13.517)
- financial assets measured at fair value through other comprehensive income	47.274	(31.138)
- financial assets measured at amortised cost	(163.560)	(204.295)
- other assets	46.302	4.959
3. Cash flows generated/absorbed by financial liabilities	**(297.987)**	**513.447**
- financial liabilities measured at amortised cost	(226.334)	541.497
- financial liabilities held for trading	(5.841)	(11.977)
- other liabilities	(65.812)	(16.073)
Net cash flows generated/absorbed by operating activities (+/-)	**(191.521)**	**445.409**
B. INVESTING ACTIVITIES		
1. Cash flows generated by	**-**	**1.900**
- sale of property, plant and equipment	-	1.900
2. Cash flows absorbed by	**(50.659)**	**(107.753)**
- purchases of property, plant and equipment	(32.199)	(24.296)
- purchases of intangible assets	(18.460)	(20.388)
- purchases of subsidiaries and business units	-	(63.069)
Net cash flows generated/absorbed by investing activities (+/-)	**(50.659)**	**(105.853)**
C. FINANCING ACTIVITIES		
- distribution of dividends and other (*)	(110.337)	(85.157)
Net cash flows generated/absorbed by financing activities (+/-)	**(110.337)**	**(85.157)**
NET CASH GENERATED/USED DURING THE YEAR	**(352.517)**	**254.399**
RECONCILIATION		
OPENING CASH AND CASH EQUIVALENTS	**857.533**	**603.134**
TOTAL NET CASH GENERATED/USED DURING THE YEAR	**(352.517)**	**254.399**
CASH AND CASH EQUIVALENTS: EFFECT OF CHANGES IN EXCHANGE RATES	**-**	**-**
CLOSING CASH AND CASH EQUIVALENTS	**505.016**	**857.533**

(*) The balances in this item represent the cash outflow for dividend payments in the respective years. Specifically, the balance relating to FY 2024 includes both the distribution of the balance of the dividend on 2023 earnings (i.e. the amount in excess of what has already been distributed as an interim dividend during 2023) and the distribution of the interim dividend on 2024 earnings. The balance relating to FY 2023 instead includes both the distribution of the balance of the dividend on 2022 earnings (i.e. the amount in excess of what has already been distributed as an interim dividend during 2022) and the distribution of the interim dividend on 2023 earnings.

The information required by IAS 7 paragraph 44 A and B is set out below.

DISCLOSURE IAS 7 paragraph 44 A and B (in thousand Euro)	31.12.2023	Cash flows	Non-monetary changes		31.12.2024
			Change in fair value	Other	
Liabilities from financing activities (liability items 10 - 20 - 30)	11.834.663	(232.175)	(240)	9.267	11.611.515

2024 Annual Report

Notes to the Consolidated Financial Statements

Banca Ifis

Part A - Accounting policies

A.1 - General part

Section 1 - Statement of compliance with international accounting standards

The Consolidated financial statements at 31 December 2024 are prepared by applying the IASs/IFRSs issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), adopted by the European Union, as established by European Community Regulation No. 1606 of 19 July 2002.

For the interpretation and application of the international accounting standards, reference was made to the following documents, although not endorsed by the European Union:

- Systematic Framework for the Preparation and Presentation of Financial Statements ("Conceptual Framework");
- Implementation Guidance, Basis for Conclusions and any other documents prepared by the IASB or IFRIC to complement the issued accounting standards.

The accounting standards adopted in preparing these Consolidated Financial Statements are those in force at 31 December 2024 (including SIC and IFRIC interpretations).

For an overview of the accounting standards and related interpretations endorsed by the European Commission, which are expected to be applied in FY 2024 or in future financial years, please refer to the following.

Insofar as applicable, the Bank also considered the communications from Supervisory Authorities (Bank of Italy, ECB, Consob, and ESMA), which provide recommendations on the disclosure to include in the Consolidated financial statements concerning some of the most material aspects in terms of accounting or the accounting treatment of specific transactions.

These Consolidated Financial Statements are subject to certification by the delegated corporate bodies and the Manager charged with preparing the company’s financial reports, as per Article 154 bis paragraph 5 of Italian Legislative Decree No. 58 of 24 February 1998.

The Consolidated Financial Statements are audited by PricewaterhouseCoopers S.p.A..

European Commission Regulation 815/2019 (the European Single Electronic Format - ESEF - Regulation)

European Commission Regulation 815/2019 (the “European Single Electronic Format” or “ESEF” Regulation), issued in order to implement Directive 2004/109/EC (the “Transparency Directive”), introduced the obligation to prepare the annual financial reports of issuers whose securities are listed on regulated markets in the European Union in a single electronic reporting format.

The task of developing regulatory technical standards to specify this format was given to the European Securities and Markets Authority (ESMA), which published the European Single Electronic Format (ESEF). This format represents a combination of xHTML (for the presentation of financial reports in a human readable format) and XBRL (eXtensible Business Reporting Language) “machine readable” markup, with the aim of facilitating the accessibility, analysis and comparability of consolidated financial statements prepared in accordance with the IFRS.

The use of this new format requires the mapping of the information contained in the Consolidated Financial Statements according to the “Inline XBRL” specifications of the basic taxonomy issued by ESMA.

In detail, the marking process was carried out in two ways:

- the detail marking, relating to numerical items in the schedules of the Consolidated Financial Statements, marks each numerical value contained in the schedules themselves, identifying the appropriate label in the basic taxonomy;
- the block marking, relating to the content of the notes to the financial statements, requires that for each applicable element of the taxonomy, the conceptually corresponding portion of the notes to the financial statements, consisting of text and tables, be identified (referred to as "block tags”).

Section 2 - Basis of preparation

The Consolidated Financial Statements consist of:

- the consolidated financial statements (statement of financial position and income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows);
- the Notes to the Consolidated Financial Statements;

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

The Consolidated Financial Statements have been drawn up according to the general principles of IAS 1, referring also to IASB's “Framework for the preparation and presentation of financial statements”, with particular attention to the fundamental principles of substance over legal form, the concepts of relevance and materiality of information, and the accruals and going concern accounting concepts.

For the preparation of these Consolidated Financial Statements, reference was made to the format set out by Bank of Italy's Circular No. 262 of 22 December 2005, 8th update of 17 November 2022.

In line with the aforementioned Circular, items that do not show any amounts for the reference year and previous year are not shown in the tables.

In addition to the accounting data as at 31 December 2024, the financial statements provide comparative information for the last approved financial statements as at 31 December 2023.

It should be noted that in relation to the acquisition of Revalea S.p.A. finalised on 31 October 2023 and its entry into the scope of consolidation (initially as a standalone company and thereafter as an incorporated company following the merger by incorporation of Revalea into Ifis Npl Investing in 2024), the figures for the year and in particular the income statement figures may not be fully comparable with those of the previous year. However, it should be noted that in the comments to the individual items, the contribution of the company acquired is presented, where relevant.

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

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 Financial Statements at 31 December 2024 have remained substantially unchanged from those adopted for the preparation of the 2023 Financial Statements of the Banca Ifis Group.

The accounting data used to prepare the Consolidated financial statements are those prepared by the subsidiaries with reference to 31 December 2024, adjusted, where necessary, to adapt them to the accounting standards used by the Group.

If the information required by international accounting standards and the provisions of the aforementioned Circular is deemed insufficient to give a true and fair view, additional information necessary for this purpose is provided in the Notes to the Consolidated Financial Statements.

The Consolidated Financial Statements are prepared in accordance with the following general principles:

- going concern: the Financial Statements are prepared on a going concern basis, having regard to the Group's business, as detailed below;
- accrual accounting: the Financial Statements are prepared in accordance with accrual accounting principles;
- consistency of presentation: the presentation and classification of items in the consolidated financial statements is kept constant from one year to the next unless a standard or interpretation requires a change in presentation or another presentation or classification is no longer appropriate. In the latter case, the Notes to the Consolidated Financial Statements provide information on the changes made compared to the previous year;
- materiality and aggregation: the balance sheet and income statement consist of items (denoted by Arabic numerals), sub-items (denoted by letters) and additional disclosure details (the "of which" of items and sub-items). The items, sub-items and related information details constitute the Consolidated Financial Statements accounts. New items may be added to the previously described Consolidated financial statements if their content is not traceable to any of the items already included in the schedules. The subheadings provided for in the schedules may be grouped together when one of the two following conditions is met:
  - the amount of the subheadings is not significant;
  - grouping improves the clarity of the financial statements; in this case, the Notes to the Consolidated financial statements contain the grouped sub-items separately.
- substance over form: transactions and other events are recognised and represented in accordance with their substance and economic reality and not merely according to their legal form;
- offsetting: assets and liabilities, income and expenses are not offset unless permitted or required by an international accounting standard or interpretation thereof or by the provisions of the aforementioned Bank of Italy Circular No. 262;
- comparative information: for each balance sheet and income statement, comparative information for the previous year is provided, unless an accounting standard or interpretation permits or provides otherwise. Figures for the previous year may be adjusted where necessary to ensure comparability of information for the reference year. Any non-comparability, adjustment or impossibility of the latter are reported and commented on in the Notes to the Consolidated Financial Statements.

The Notes to the Financial Statements are divided into parts: A - Accounting policies, B - Information on the consolidated balance sheet, C - Information on the consolidated income statement, D - Consolidated comprehensive income, E - Information on risks and related hedging policies, F - Information on consolidated assets, G - Business combinations, H - Related-party transactions, I - Share-based payments, L - Segment reporting, M - Leasing disclosure.

Each part of the Notes to the Consolidated Financial Statements is divided into sections, each of which illustrates a single aspect of management.

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 negative 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, in light of the Parent Company, Banca Ifis's statement of financial position, having examined the risks arising from the current macroeconomic environment, including in light of the current situation, geopolitical tensions and related possible macroeconomic implications including those arising from international tensions related to the Middle East, the directors believe that the Banca Ifis Group has a reasonable expectation of continuing to operate in the foreseeable future. Indeed, the directors have not noted any risks or uncertainties that would cast doubt on the company's ability to continue as a going concern, and therefore the Consolidated financial statements at 31 December 2024 have been prepared on a going concern basis. For more details on the analyses conducted with reference to international tensions, please refer to the specific section of the Group's Report on Operations entitled “Information on international tensions”.

Section 3 - Scope and methods of consolidation

Subsidiaries

The Consolidated financial statements of the Banca Ifis Group have been drawn up on the basis of the accounts at 31 December 2024 prepared by the directors of the companies included in the consolidation scope on the basis of homogeneous accounting standards. The table below shows the subsidiaries belonging to the Banca Ifis Group.

1. Equity investments in exclusively controlled companies

COMPANY NAME	HEAD OFFICE	REGISTERED OFFICE	TYPE (1)	INVESTMENT		VOTING RIGHTS % (2)
				PARTICIPATING PARTICIPANT	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%
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 the subsidiaries included in the scope of consolidation as of 31 December 2024, as illustrated below, compared to the situation as of the end of 2023, the only change relates to the merger by incorporation of

Revalea S.p.A. into Ifis Npl Investing S.p.A. finalised in 2024 (for further details, see "Part G - Business combinations").

With specific reference to the former Revalea, acquired on 31 October 2023 and merged by incorporation into Ifis Npl Investing in 2024, it is specified that the allocation of the acquisition cost, equal to 100 million Euro, through the recognition at fair value of the assets and liabilities of the acquired entity, including any intangible assets not previously recognised in these Consolidated financial statements, can now be considered as definitive. The provisional allocation made for recognition in the Consolidated Financial Statements at 31 December 2023 is confirmed.

The table below shows the final allocation of the purchase price.

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

The 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 year-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.

2. 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 December 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 (in this regard, see the section entitled “The Banca Ifis Group”, where such SPVs are not included).

The profit (loss) for the year and each of the other components of comprehensive income are attributed to the shareholders of the parent company and minority interests, even if this implies that the minority interests have a negative balance. When necessary, appropriate adjustments are made to the accounts of the subsidiaries, in order to ensure compliance with the Group's accounting standards. All 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 - PPA).

For controlled entities, non-controlling interests in equity, period profit (loss) 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, period profit (loss) 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, revenues, other items of comprehensive income and cash flows of the controlled entity are included in the Consolidated financial statements from the date control is acquired. The costs, revenues, other comprehensive income and cash flows of a transferred subsidiary are included in the Consolidated Financial Statements up to the date of transfer. In the event of the transfer of a subsidiary, 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, expenses and cash flows 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 2024, 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. With regard to the company The Street S.r.l., whose 25% stake was acquired by the Parent Company Banca Ifis in September 2024, following internal investigations conducted in particular in respect of the voting rights attached to the company's shares and its governance structure, it was deemed that, despite the fact that the stake subscribed exceeds the 20% threshold set by IAS 28 as a presumption of significant influence, there are no elements that could lead to significant influence by the Banca Ifis Group.

3. Equity investments in exclusively controlled companies with significant minority interests

3.1 Non-controlling interests, voting rights held by non-controlling interests, and dividends distributed to non-controlling interests

Company Name	Minority interests %	Availability of minority votes % (1)	Dividends distributed to minorities
Banca Credifarma S.p.A.	12,26%	12,26%	-

(1) Availability of voting rights in the Annual Shareholders' Meeting.

3.2 Equity investments with significant non-controlling interests: accounting information

Company Name	Total assets	Cash and cash equivalents	Financial assets	Property, plant and equip-ment and intangible assets	Financial liabilities	Equity	Net interest income	Net banking income	Operating costs	Pre-tax profit (loss) for the period from continuing operations	Profit (loss) from current operations after tax	Profit (loss) of disposal groups, net of taxes	Profit (loss) for the year (1)	Other compre-hensive income, net of taxes (2)	Compre-hensive income (3) = (1) + (2)
Banca Credifarma S.p.A.	719.482	2.450	700.781	973	549.831	129.154	31.132	36.734	(15.593)	19.737	13.020	-	13.020	6	13.026

4 Significant restrictions

There are no significant restrictions as per paragraph 13 of IFRS 12, i.e. statutory, contractual and regulatory restrictions on its ability to access or use the assets and settle the liabilities of the Group, nor protective rights of non-controlling interests that can significantly restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

5 Other information

The reporting date of the accounts prepared by the directors of the companies included in the consolidation scope is 31 December 2024.

Section 4 - Subsequent events

No significant events occurred in the period between the reporting date (31 December 2024) and the date of approval of the draft Financial Statements by the Board of Directors (6 March 2025), which could be classified as "adjusting events" within the meaning of IAS 10, i.e. events that lead to an adjustment of balance sheet and income statement information at the reporting date.

Section 5 - Other aspects

Highlights for 2024 financial statement assessments

On 24 October 2024, ESMA published an information notice ('European common enforcement priorities for 2024 annual financial reports') containing certain topics and recommendations with reference to:

- the preparation of financial reporting for FY 2024, in respect of:
  - liquidity considerations;
  - significant accounting policies, valuations and estimates;
- the preparation of sustainability reporting for FY 2024, in relation to:
  - materiality considerations in reporting according to ESRS;
  - scope and structure of sustainability reporting;
  - information on Article 8 of the Taxonomy Regulation;
- ESEF (European Single Electronic Format) reporting on common errors detected in the balance sheet;
- some general considerations, among which of particular importance is the connectivity between financial and sustainability reporting.

The following section provides an illustration of the aspects considered as priorities for the assessments conducted for the purpose of preparing the financial information contained in the 2024 Financial Statements and for the related disclosure, in line with the recommendations provided by ESMA, in its communication of 24 October 2024 entitled "European Common Enforcement Priorities for 2024 corporate reporting", and by Consob in its communication of 20 December 2024 entitled "Climate disclosure provided in financial statements". With regard to recommendations in the area of sustainability reporting, please refer to the 'Sustainability Statement' section of the Directors' Report on the Group.

Liquidity considerations

As regards the aspects connected with liquidity and related risks, the Banca Ifis Group is constantly striving to improve the state of its financial resources, in terms of both size and cost, so as to have available liquidity reserves adequate for current and future business volumes.

The objective of the Group's operational liquidity management is to ensure the Banca Ifis Group's ability to meet its cash payment commitments over the short-term time horizon. The essential condition for normal business continuity in banking is the maintenance of a sustainable imbalance between cash inflows and outflows in the short term. From a management point of view, the reference metric in this respect is the difference between the net cumulative cash flow and the Counterbalancing Capacity, i.e. the liquidity reserve to cope with short-term stress conditions, in addition to the regulatory measure of the Liquidity Coverage Ratio (LCR). From a very short-term perspective, the Group adopts the intraday liquidity analysis and monitoring system with the aim of ensuring the normal development of the Bank's treasury day and its ability to meet its intraday payment commitments.

The Group's structural liquidity management aims to ensure the financial balance of the structure by maturity over the time horizon of more than one year. Maintaining an adequate ratio of medium- to long-term liabilities to assets is aimed at avoiding pressure on short-term funding sources, both current and prospective. The reference metrics refer to the regulatory indicator of the Net Stable Funding Ratio (NSFR) and, management-wise, to the gap ratios, which measure both the ratio of total funding and loans with maturities over 1 year and over 3 and 5 years.

At 31 December 2024, the Banca Ifis Group financial sources mainly consisted of equity, on-line funding (Rendimax product), consisting of on-demand and time deposits, medium/long-term bonds issued as part of the EMTN programme, medium/long-term securitisation transactions, as well as funding from corporate customers. Funding in the form of repurchase agreements, entered into with leading banks, continued to be a significant source of funding in 2024. Finally, with regard to Eurosystem funding (TLTROs, LTROs and MROs), in the first half of 2024, a total of 1,1 billion Euro was repaid in advance in the TLTRO at nominal amount, reducing the amount still outstanding (which amounted to 1,6 billion Euro as at 31 December 2023) to a residual 0,4 billion Euro, which was then repaid in full at maturity in September 2024. In December 2024, the Parent Company also participated in a new MRO transaction for 400 million Euro maturing on 8 January 2025.

The Group's activities in terms of liquidity consist of factoring operations, which focus mainly on trade receivables and receivables due from Italy's public administration maturing within the year, and medium/long-term receivables deriving mainly from Leasing, Corporate banking, Structured Finance and Workout, Restructuring & Recovery operations; security portfolio management, mainly comprising eligible and readily liquid Italian government securities are also important.

As for the Group's operations concerning the Npl Segment and the segment relative to purchases of tax receivables arising from insolvency proceedings, the characteristics of the business model imply a high level of variability concerning both the amount collected and the date of actual collection. 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.

The amount of high-quality liquidity reserves (mainly consisting of the balance of the management account with the Bank of Italy and the free portion of eligible securities) makes it possible to meet regulatory requirements (with respect to the limits of LCR and NSFR) and internal requirements relating to prudent management of liquidity risk. For more details on the main period liquidity trends, refer to paragraph "1.4 Liquidity risk" in "Section 2 - Prudential consolidation risks" of "Part E - Information on risks and related hedging policies" of these Notes to the Consolidated Financial Statements.

Significant accounting policies, valuations and estimates

With regard to the Banca Ifis Group's accounting policies in force at the date of this document, please refer to the information reported later in paragraph 'A.2 - Main Financial Statement Items' of this Part A of the Notes to the Consolidated Financial Statements.

Instead, with regard to significant judgements and estimates that are adopted for the purpose of preparing the Consolidated Financial Statements as at 31 December 2024, see what is reported in the immediately following sub-section entitled "Risks and uncertainties related to the use of estimates".

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 these Consolidated Financial Statements, 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 amount of assets and liabilities recognised in the financial statements, 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 December 2024. In particular, the aspects that required the use of complex estimates with significant assumptions are:

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

For the items 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 these Notes to the Consolidated Financial Statements.

Measurement of Npl Segment loans

If a credit exposure is impaired upon initial recognition, it qualifies as a “Purchased or Originated Credit Impaired (POCI) financial asset”. An asset is considered impaired on initial recognition if the credit risk is very high and, in the case of purchase, the price has been paid at a significant discount to the outstanding contractual debt. For these assets, the amortised cost and consequently the interest income is calculated using a credit-adjusted effective interest rate. With respect to the determination of the effective interest rate, the aforementioned credit adjustment consists of taking into account expected credit losses over the entire remaining life of the asset when estimating future cash flows.

In addition, the assets under consideration also provide for a special treatment with regard to the impairment process, as they are always subject to the determination of an expected loss over the life of the financial instrument; therefore, after initial recognition, gains or losses arising from any change in the expected loss over the life of the receivable with respect to the initial loss must be recognised in the income statement. It is therefore not possible for the calculation of expected losses for such assets to be made using a time horizon of one year.

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 of these Notes to the Consolidated Financial Statements, “Information on risks and related hedging policies”.

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

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

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

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

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

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

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

A new model for the Stage Allocation component was developed in 2024 to improve the robustness of the estimates. The updates mainly concerned methodological choices that further strengthen the estimation process or model evolutions that ensure greater adherence to industry best practices and the guidance formulated over time by supervisory authorities. The effects of this update on the Group's financial results were not significant.

With specific reference to climatic and environmental risk factors, the materiality analysis conducted led to their quantification as non-material, due to the low impact of these factors in terms of available cash reserves and related cash outflows on the Group's funding.

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 these Notes to the Consolidated Financial Statements.

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.

Estimate of the recoverability of the value of goodwill recorded

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 December 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".

For the purposes of estimating the recoverable amount, the Group proceeded to determine the value in use by estimating both future cash flows in the explicit forecast period (determined based on the 2025-2027 economic and equity projections for the CGU under analysis, as approved by the Parent Company's Board of Directors on 10 February 2025) and the Terminal Value. In a similar fashion, the Group also estimated the discounting rate of future cash flows previously estimated. The discounting rate has been determined by the Group using the “Capital Asset Pricing Model” (CAPM).

The results of the impairment test conducted at 31 December 2024 led to the confirmation of the recoverability of the carrying amount in the Consolidated financial statements.

As regards details of the impairment test conducted on goodwill at 31 December 2024, 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 these Notes to the Consolidated Financial Statements.

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

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

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

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

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

The comprehensive total of DTAs at 31 December 2024 is 171,4 million Euro, including the 85,1 million Euro portion attributable to Law 214/2011 (equal to 49,6% of the total DTA), which will be reversed by 2029 due to express regulatory provision. It is recalled that such deferred tax assets, which meet the requirements set forth by the specified Law, 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; their recovery is therefore certain regardless of the capacity to generate future income. The continued convertibility into tax credits is subject to the payment of a fee, which was introduced by Decree Law no. 59 of 3 May 2016, converted with amendments by Law No. 119 of 30 June 2016, which the Group decided to avail itself of by paying an annual fee until 2030.

On the basis of the valuation of the residual amount, note that the portion referring to prior tax losses and ACE surpluses, totalling 40,0 million Euro (or 23,34% of the total DTA) should be fully recovered from 2025 to 2032 (of which approximately 31 million Euro by 2029). The remaining 46,3 million Euro refers mainly to financial assets measured at fair value through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve. In view of the uncertainty surrounding the recoverability of DTAs related to the past tax losses of the subsidiary Cap.Ital.Fin. realised mainly prior to joining the tax consolidation programme, it was prudently decided not to recognise them; the unrecognised DTAs total 2,8 million Euro.

Deadlines for the approval and publication of the Financial Statements

Pursuant to Article 154-ter of Italian Legislative Decree No. 59/98 (Consolidated Law on Finance), the Parent Company's Financial Statements must be approved and the Annual Financial Report published, including the draft Annual Financial Statements, the Directors' Report, and the declaration as per Article 154-bis, paragraph 5, within one hundred and twenty days of year end. The Board of Directors approved the Parent company's draft separate financial statements and the consolidated financial statements on 06 March 2025; the Parent company's separate financial statements will be submitted to the Shareholders' Meeting to be held on 17 April 2025 at first call for approval.

Coming into effect of new accounting standards

Below are the new IAS/IFRS accounting standards or amendments to existing standards approved by the IASB, as well as new interpretations or amendments to existing ones published by the IFRIC, with separate disclosure of those applicable in FY 2024 from those that can be adopted in subsequent financial years but also reporting the changes made in 2024.

Standards approved and to be applied as mandatory for the preparation of the 2024 Consolidated Financial Statements

"Lease Liability in a Sale and Leaseback" (amendments to IFRS 16)

On 22 September 2022, the IASB issued these amendments in response to a recommendation of the IFRIC, with the aim of clarifying how a seller-lessee should perform the subsequent measurement of liabilities in sale and leaseback transactions that meet the requirements of IFRS 15 for the purpose of accounting as a sale. Sale and leaseback is a transaction whereby a lessee sells an asset and subsequently leases it for a period of time from the new owner. IFRS 16 already included the information for accounting for a sale and leaseback at the date the transaction occurs, but not its subsequent treatment.

In particular, the lessee must determine the liability of such a transaction in such a way that it does not recognise in profit or loss any amounts that relate to the RoU (which it has retained), except for any gain or loss related to the partial or total termination of the contract.

These amendments concern sale and leaseback transactions concluded after the date of first application. The adoption of this amendment had no impact on the Consolidated Financial Statements.

"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and Non-current Liabilities with Covenants"

On 23 January 2020, the IASB issued an amendment to IAS 1 "Classifying liabilities as current or non-current" to clarify that the classification of liabilities between current and non-current depends on the rights existing at the end of the reporting period. Its application, initially scheduled for FY 2022, was first postponed to 1 January 2023, with the amendments approved by the IASB on 15 July 2020, and finally postponed to 1 January 2024, with the amendments issued on 31 October 2022 "Non-current liabilities with covenants". This latter amendment provides that only those covenants that an entity is required to meet on or before the reporting date are likely to affect the classification of a liability as current or non-current. It is also required to disclose information in the notes to the financial statements that enables users of the financial statements to understand the risk that non-current liabilities with covenants may become repayable within twelve months. The limited proposed amendments to IAS 1 are not relevant for the Group, considering that the scope of application refers to loans received with covenants;

in addition, for the Group, the presentation in the balance sheet is guided by the formats contained in Bank of Italy Circular No. 262/05, which do not provide for any evidence between current and non-current liabilities.

"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"

On 25 May 2023, the IASB published through this amendment certain disclosure requirements aimed at improving the transparency of financial arrangements with suppliers and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The lack of transparency on the content of these financing agreements is an obstacle to a proper analysis by a company's investors.

The purpose of the amendments is to supplement the requirements already laid down in the accounting standards by obliging companies to disclose the terms and conditions of agreements, the liabilities that are part of the agreements with separate indication of the amounts for which suppliers have already received payment, payment due dates, and information on liquidity risk. The adoption of this amendment had no impact on the Consolidated Financial Statements.

Standards issued and endorsed but whose application starts after 31 December 2024

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)

On 15 August 2023, the IASB issued an amendment to IAS 21 with the aim of specifying the situations in which one currency is convertible into another, how to determine the exchange rate to be applied when one currency is not exchangeable for another, and the disclosure to be provided in such cases. The amendments will be applicable on or after 1 January 2025. No impact on the consolidated financial statements is expected from the adoption of this amendment.

Standards issued but not yet approved

The following are the new international accounting standards or amendments to them, not yet endorsed by the European Commission, which are mandatory from a date that falls after the reference date of these Consolidated Financial Statements. The Group does not expect any significant impact deriving from the adoption of the following interpretations and amendments of existing international accounting standards to be material.

IFRS 18 "Presentation and Disclosure in Financial Statements"

On 9 April 2024, the IASB published the new accounting standard IFRS 18 "Presentation and Disclosure in Financial Statements", which replaces IAS 1 "Presentation of Financial Statements". The first application of the new standard is scheduled for 1 January 2027.

The new standard introduces three sets of new requirements to improve companies' financial reporting and provide investors with a better basis for analysis and comparison:

- better comparability in the income statement;
- greater transparency of performance measures defined by management;
- more useful grouping of information in the balance sheet.

The aforementioned changes, affecting the presentation of the profit and loss account and financial statement disclosure, will be implemented in the rules for compiling bank financial statements, governed by Bank of Italy Circular No. 262. Assessments are underway in order to verify, in addition to the impacts in terms of a different representation of the information, any impacts on the Group's equity and financial position.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

On 9 May 2024, the IASB published the new accounting standard IFRS 19 "Subsidiaries without Public Accountability: Disclosures" which will be applicable for reporting periods beginning on 1 January 2027.

IFRS 19 was instituted for subsidiaries of a parent company that prepares its financial statements in accordance with IFRS, in order to reduce the cost of preparing IFRS financial statements by allowing reduced disclosure:

- for subsidiaries that use IFRS for SMEs or national accounting standards for their own financial statements, and that are often required to have a dual track for their own financial statements due to the different provisions contained in these standards compared to those in IFRS;
- for subsidiaries that use IFRS accounting standards for their financial statements and are required to provide disclosures that may be disproportionate to the information needs of their users.

This relief is only applicable to subsidiaries that do not have "public liability".

A subsidiary has public liability if:

- its debt or equity instruments are traded on a public market or is in the process of issuing such instruments for trading on a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- one of its main activities is holding assets in a fiduciary capacity for a large group of persons (e.g. banks, credit unions, insurance companies, securities brokers, mutual funds and investment banks).

Entities with the above characteristics may, but are not required to, apply IFRS 19 in their consolidated, separate or individual financial statements.

"Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7"

On 30 May 2024, the IASB issued an amendment to IFRS 9 (and, by extension, IFRS 7), whose first application is scheduled for 1 January 2026, resulting from the responses to the Post Implementation Reviews on certain areas of major concern or doubt triggered by the application of the standard.

In particular, the topics addressed are:

- the classification of financial instruments with contractual cash flow characteristics impacted by ESG clauses. On this topic, the IASB has provided some, non-exhaustive examples of financial instruments that determine whether or not the SPPI test is passed. In greater detail:
  - the presence of a clause providing for the recognition of additional interest in the event that the borrower achieves an ESG objective (e.g. a reduction in carbon emissions), the extent of which is contractually predetermined, falls within the realm of a "basic lending agreement" and thus allows the test to be passed;
  - the existence of a condition whereby the interest rate is adjusted according to a market variable (e.g. the carbon price index) does not compensate the lender for the risks and costs associated with lending the principal amount; therefore, it does not delineate a basic lending arrangement;
- extinguishing liabilities by means of electronic payment systems. The amendment provides that a liability may be settled in cash, using an electronic payment system, prior to the settlement date by way of derogation from what is currently provided for, if certain specific criteria are met.

Specific disclosure requirements have also been introduced for equity instruments for which the option to recognise changes in fair value in the statement of comprehensive income has been exercised, and for financial instruments with contingent features, e.g. features linked to ESG objectives.

"Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7"

On 18 December 2024, the IASB published amendments aimed at better representing the effects of nature-dependent power supply contracts, which are often structured as power purchase agreements (PPAs). The amount of electricity generated under these contracts may vary depending on factors that cannot be controlled, such as weather conditions. Current accounting requirements may not adequately capture the ways in which these contracts affect a company's performance. The amendments include: (i) clarifications on the application of 'own use' requirements; (ii) the possibility of using hedge accounting when such contracts are used as hedging instruments; and (iii) the addition of new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments under review, which will be effective for financial statements from 1 January 2026, with the possibility of early application, are not expected to have a significant impact on the Group's balance sheet, financial position and results of operations.

"Annual Improvements Volume 11"

On 18 July 2024, the IASB issued the customary "Annual Improvements to IFRS Accounting Standards - Volume 11". The document contains clarifications, simplifications, corrections and amendments to improve the effectiveness of the existing principles. Specifically, these refinements concern IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The changes will be effective for budgets from 1 January 2026, with the possibility of early application. Given the minor scope of these changes, no significant impact on the Group's balance sheet, financial position and results of operations is expected.

A.2 - Main items of the financial statements

1 - Financial assets measured at fair value through profit or loss

Classification criteria

This category comprises financial assets other than Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost. Specifically, this line item includes:

- financial assets held for trading, essentially consisting of debt and equity securities as well as the positive amount of derivative contracts held for trading;
- financial assets designated at fair value, i.e. non-derivative financial assets designated as such on initial recognition if the relevant conditions are met. At initial recognition, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, doing so would eliminate or significantly reduce a measurement or recognition inconsistency;
- financial assets mandatorily measured at fair value, consisting of financial assets that are not eligible for the measurement at amortised cost or fair value through other comprehensive income based on the relevant cash flow characteristics. Specifically, this category includes:
  - debt instruments, securities and loans without cash flows that are solely payments of principal and interest consistent with a "basic lending arrangement" (so-called "SPPI test" failed);
  - debt instruments, securities and loans held within a business model that is neither "Held to collect" (whose objective is to hold the asset to collect contractual cash flows) nor "Held to collect and sell" (whose objective is achieved by both collecting contractual cash flows and selling financial assets);
  - UCITS units;
  - equity instruments for which the Group elects not to use the option under the standard to measure them at fair value through other comprehensive income (so-called "OCI Option").

Derivative contracts include those embedded in complex financial instruments if the host contract is not a financial asset falling within the scope of IFRS 9, which are recognised separately if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid instrument they are part of is not measured at fair value with the relevant changes recognised in profit or loss.

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In these cases, financial assets may be reclassified from the category measured at fair value through profit or loss to one of the other two categories under IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through other comprehensive income). The transfer value corresponds to the fair value at the time of the reclassification, which is applied prospectively from the reclassification date. In this case, the effective interest rate of the reclassified financial asset is calculated based on its fair value at the reclassification date, which is considered to be the date of initial recognition for the stage allocation for impairment purposes.

Recognition criteria

Financial assets are initially recognised at the date of settlement in the case of debt and equity securities, at the date of disbursement for loans and at inception in the case of derivative contracts. At initial recognition, financial assets are measured at fair value, which is normally equal to the price paid excluding the expenses and income directly attributable to the instrument, which are recognised in profit or loss.

Measurement criteria

Even after initial recognition, financial assets are measured at fair value, and the impact of the application of this method is recognised through profit or loss.

The fair value of the financial instruments included in this portfolio is calculated based on quoted prices in active markets, prices provided by market participants, or internal valuation models generally used for pricing financial instruments that take into account all relevant risk factors and are based on observable market data.

In the case of financial assets not quoted in an active market, the cost method is used as an approximation of fair value exclusively on a residual basis and in limited circumstances, that is if all the other previously mentioned measurement methods are not applicable.

Interest is shown under item "10. Interest receivable and similar income”.

Gains and losses from trading and valuation gains and losses from the trading portfolio, including derivatives associated with financial assets/liabilities designated at fair value, are recognised in the income statement under item “80. Net profit (loss) from trading”. The same economic effects relating to financial assets designated at fair value and those mandatorily measured at fair value are recorded under item "110. Net result of other financial assets and liabilities measured at fair value through profit or loss", under "a) financial assets and liabilities measured at fair value” and “b) other financial assets mandatorily measured at fair value”.

Derecognition criteria

Financial assets are derecognized only when the contractual rights to the cash flows expire or when the assets are disposed of if the disposal resulted in the substantial transfer of all risks and rewards associated with the assets. Should the company retain part of the relevant risks and rewards, the financial assets will continue to be recognised, even though legal ownership has been actually transferred to a third party.

Where it is not possible to ascertain the substantial transfer of the risks and rewards, financial assets are derecognised if the company no longer has control over them. Otherwise, the financial assets are recognised proportionally to the entity’s continuing involvement in the asset, measured according to the exposure to changes in the transferred assets’ value and cash flows.

Lastly, as for the transfer of collection rights, transferred financial assets are derecognised even if contractual rights to receive cash flows are maintained but an obligation to pay such flows to one or more entities is taken on.

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

Classification criteria

This category comprises financial assets that meet both the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("HTC&S - Held to Collect and Sell" Business Model), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest consistent with a "basic lending arrangement", in which consideration for the time value of money and credit risk are typically the most significant elements of interest (so-called "SPPI test" passed).

In addition, this line item includes equity instruments not held for trading for which at initial recognition the entity used the option to measure them at fair value through other comprehensive income not to be reclassified to profit or loss (so-called "OCI Option").

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In these cases, financial assets may be reclassified from the category measured at fair value through other comprehensive income to one of the other two categories under IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit or loss). The transfer value corresponds to the fair value at the time of the reclassification, which is applied prospectively from the reclassification date. If the asset is reclassified from the category concerned to amortised cost, the fair value of the financial asset at the reclassification date is adjusted by the accumulated gain (loss) presented in the valuation reserve. If the asset is reclassified to fair value through profit or loss, the accumulated gain (loss) previously recognised within the valuation reserve is reclassified from equity to profit or loss.

Recognition criteria

Financial assets are initially recognised at the date of settlement in the case of debt and equity securities, whereas loans are recognised at the date they were granted. These assets are initially recognised at fair value, including transaction costs directly attributable to the instruments, if any.

Measurement criteria

After initial recognition, the assets measured at fair value through other comprehensive income that are not equity securities are measured at fair value, recognising the impact of the application of amortised cost, impairment, and any exchange rate changes through profit or loss. Gains and losses resulting from changes in fair value are recognised under a dedicated equity reserve until the financial asset is transferred: then, accrued profits and losses are reclassified to profit or loss.

The equity instruments the Group elected to classify within this category are measured at fair value, and the amounts recognised through equity (Statement of comprehensive income) are not subsequently reclassified to profit or loss - including in the event of their disposal. The relevant dividends represent the only component of the equity securities concerned that is recognised through profit or loss.

The fair value is calculated on the basis already described for Financial assets measured at fair value through profit or loss.

In the case of Financial assets measured at fair value through other comprehensive income that are either debt securities or receivables, at each reporting date, including interim reporting dates, the Bank assesses whether a significant increase in credit risk (impairment) has occurred pursuant to IFRS 9, recognising an impairment loss to cover the expected credit losses through profit or loss.

Conversely, equity securities are not tested for impairment.

Derecognition criteria

Derecognition of financial assets measured at fair value through comprehensive income occurs when contractual rights to cash flows expire or if the assets are sold but only if the sale has resulted in the substantial transfer of all risks and rewards associated with the assets. Should the company retain part of the relevant risks and rewards, the financial assets will continue to be recognised, even though legal ownership has been actually transferred to a third party.

Where it is not possible to ascertain the substantial transfer of the risks and rewards, financial assets are derecognised if the company no longer has control over them. Otherwise, the financial assets are recognised proportionally to the entity's continuing involvement in the asset, measured according to the exposure to changes in the transferred assets' value and cash flows.

Lastly, as for the transfer of collection rights, transferred financial assets are derecognised even if contractual rights to receive cash flows are maintained but an obligation to pay such flows to one or more entities is taken on.

3 - Financial assets measured at amortised cost

Classification criteria

This category includes financial assets (specifically loans and debt securities) that meet both the following conditions:

- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows ("HTC - Held to Collect" Business Model), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest consistent with a "basic lending arrangement", in which consideration for the time value of money and credit risk are typically the most significant elements of interest (so-called "SPPI test" passed).

Specifically, if the above technical requirements are met, this line item includes:

- loans and advances to banks, with the exception of loans and advances on demand (which are classified under "Cash and cash equivalents");
- receivables due from customers, largely consisting of:
  - demand advances to customers as part of factoring operations vis-à-vis a receivables portfolio factored with recourse and still recognised in the seller's statement of financial position, or vis-à-vis receivables factored without recourse, providing no contractual clauses that eliminate the conditions for their recognition exist;
  - loans to customers deriving from mortgages or loans extended as part of corporate banking operations;
  - repurchase and reverse repurchase agreements;
  - receivables arising from finance leases;
  - salary- or pension-backed loans or payment delegations (DP);
  - a portfolio of non-performing loans acquired from third-party operators (referred to as "POCI");
- debt securities acquired through subscription or private placement, with fixed or determinable payments, not quoted in active markets.

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In these cases, which are expected to be very infrequent, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories under IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value corresponds to the fair value at the time of the reclassification, which is applied prospectively from the reclassification date. Gains or losses arising from the difference between the amortised cost of the financial asset and the relevant fair value are measured through profit or loss if the asset is reclassified to Financial assets measured at fair value through profit or loss or, if it is reclassified to Financial assets measured at fair value through other comprehensive income, through equity, within the specific valuation reserve.

Recognition criteria

These financial assets are initially recognised at the date of settlement in the case of debt and equity securities, whereas loans are recognised at the date they were granted. At initial recognition, the assets are measured at fair value, including transaction income or costs directly attributable to the asset. Costs meeting these characteristics, but to be reimbursed by the debtor or falling under normal internal administrative costs, are excluded.

Repurchase agreements or reverse repurchase agreements are recognised as funding or lending transactions. Specifically, repurchase agreements are recognised as payables for the amount received, while reverse repurchase agreements are recognised as receivables for the amount paid.

Measurement criteria

After initial recognition, receivables are measured at amortised cost, which is equal to the initial amount minus/plus principal repayments, impairment losses/reversals of impairment losses, and amortisation calculated using the effective interest method. The effective interest rate is calculated as the rate at which the present value of expected cash flows for the principal and interest is equal to the amount of the loan granted, including any costs/revenues directly attributable to the financial asset. This finance-based accounting method allows to spread the economic effect of costs/revenues over the expected residual life of the receivable.

Furthermore, the Group uses a proprietary model for estimating the cash flows of purchased receivables from the National Health Service (NHS), which includes the estimate of late payment interest deemed recoverable, based on the Group's historical evidence and differentiated according to the types of recovery actions undertaken (transactional or judicial).

The amortised cost method usually does not apply to short-term loans, as the effect would be immaterial. These are measured instead at their acquisition cost. A similar criterion applies to loans without a definite payment date or revocable loans. Furthermore, newly acquired distressed retail loans are measured at cost until the Group has started taking action to collect the debt, as specified later on in the part concerning non-performing exposures in the Npl Segment.

At each reporting date, including interim reporting dates, the Group estimates the impairment of these assets in accordance with the impairment rules of IFRS 9.

The aforementioned assets are in fact examined with the aim of estimating the expected losses in value related to credit risk ("ECL" - "Expected Credit Losses"). These losses are recognised in the income statement under item "130. Net credit risk losses/reversals". If it is found that there is no reasonable expectation of recovery, the gross exposure is written off: in such a case, the gross exposure is reduced by the amount considered unrecoverable, offset by the reversal of the provision to cover expected losses and impairment losses in the income statement, for the portion not covered by the provision.

In more detail, the impairment model, as described in detail in paragraph "16 - Other Information" of this Section A.2, provides for the classification of assets into three distinct "Stages" (Stage 1, Stage 2, Stage 3), depending on the evolution of the debtor's creditworthiness, to which correspond different criteria for measuring expected losses:

- Stage 1: unimpaired (performing) financial assets for which no significant deterioration in credit risk has been observed since initial recognition or for which the credit risk is considered low. Impairment is based on an estimate of expected loss with a time horizon of one year;
- Stage 2: unimpaired (performing) financial assets that have experienced a significant deterioration in credit risk since initial recognition (SICR - "Significant Increase in Credit Risk"). Impairment is based on an estimate of the expected loss over the entire remaining life of the financial asset;
- Stage 3: impaired financial assets for which there is objective evidence of impairment and which are assessed on the basis of an estimate of the expected loss over the life of the instrument.

For performing assets, expected losses are determined according to a collective process based on certain risk parameters represented by the probability of default (PD), the loss given default (LGD) and the exposure value (EAD).

For impaired assets, impairment losses are quantified on the basis of an analytical valuation process according to homogeneous risk categories - aimed at determining the present value of expected future recoverable cash flows, discounted on the basis of the original effective interest rate.

Impaired assets include exposures that have been attributed the status of non-performing, unlikely to pay or past-due/overdrawn for more than ninety days according to the definitions established by current supervisory regulations (Bank of Italy Circular No. 272 "Accounts Matrix") and recalled by Bank of Italy Circular No. 262, as they are considered consistent with the accounting rules set forth by IFRS 9 in terms of objective evidence of impairment.

The projected cash flows also take into account expected recovery times and the presumed net realisable value of any guarantees.

The original value of the financial assets is reinstated in subsequent years if the credit quality of the exposure improves compared to that which led to the previous write-down. The write-back is recorded in the income statement under the same heading ("130. Net credit risk losses/reversals") and, in any event, may not exceed the amortised cost that the asset would have had in the absence of previous adjustments.

For further details, please refer to paragraph "2.3 Measurement of expected losses" in "Section 2 - Prudential consolidation risks" of "Part E - Information on risks and related hedging policies" of these Notes to the Consolidated Financial Statements.

Purchased or Originated Credit Impaired (POCI)

“Purchased or Originated Credit Impaired (POCI) Financial Assets” means the exposures that were impaired at the date they were acquired or originated.

POCI financial assets include also the exposures acquired as part of sales (of either individual assets or portfolios) and business combinations.

As previously mentioned, interest is accounted for by applying a credit-adjusted effective interest rate, i.e. the rate that, upon initial recognition, discounts all the asset's estimated future cash receipts at amortised cost considering also lifetime expected credit losses.

The Bank regularly reviews said expected credit losses, recognising impairment losses or gains through profit or loss. Favourable changes in lifetime ECLs are recognised as an impairment gain, even if said lifetime ECLs are lower than those incorporated into cash flow estimates at initial recognition.

"Purchased or Originated Credit Impaired Financial Assets" are usually allocated to Stage 3 at initial recognition.

A subsequent improvement in the counterparty's creditworthiness, which may be reflected in the present value of cash flows, shall cause the exposure to be classified within Stage 2.

These assets shall never be allocated to Stage 1, as the expected credit loss must always be calculated over a time horizon equal to their remaining useful life, whereas IFRS 9 requires an ECL estimated over a 12-month horizon for Stage 1 assets.

The Npl Segment's receivables all qualify as POCI financial assets (POCIs are the Segment's core business) and are recognised and assessed through the following steps:

- at the time of purchase, receivables are recognised by allocating the portfolio's purchase price among the individual receivables it consists of through the following steps:
    - recognition of the individual receivables at a value equal to the contract price, which is used for the purposes of reporting to the Central Credit Register;
    - after verifying the documentation, if provided in the contract, the Bank returns the positions lacking documentation or beyond the statute of limitations to the seller, and measures the fair value of receivables which actually exist and can be collected; finally, after sending a notice of assignment to the debtor, the Bank can start taking action to collect the receivable;

- once the collection process begins, receivables are measured at amortised cost using the effective interest rate method (the "EIR" or "TIR");
- the effective interest rate is calculated on the basis of the price paid, the transaction costs, if any, and the estimated cash flows and collection time calculated using either proprietary models or analytical estimates made by managers;
- the effective interest rate as set out in the previous point is unchanged over time;
- at the end of each year, interest income accrued on the basis of the original effective interest rate is recognised under Interest Income. Said interest is calculated as follows: Amortised Cost at the beginning of the year x IRR/365 x days in the year;
- in addition, at the end of each financial year, the expected cash flows for each position are re-estimated;

- should events occur (higher or lower revenues realised or expected compared to forecasts and/or a change in collection times) which cause a change in the amortised cost (calculated by discounting the new cash flows at the original effective rate compared to the amortised cost in the financial year), this change is also recognised under "Credit risk losses/reversals" on the income statement.

Derecognition criteria

Financial assets measured at amortised cost are derecognised when all contractual rights over the cash flows have expired or if they are assigned but only when all relevant risks and rewards have been substantially transferred. Should the company retain part of the relevant risks and rewards, the financial assets will continue to be recognised, even though legal ownership has been actually transferred to a third party.

Where it is not possible to ascertain the substantial transfer of the risks and rewards, financial assets are derecognised if the company no longer has control over them. Otherwise, the financial assets are recognised proportionally to the entity's continuing involvement in the asset, measured according to the exposure to changes in the transferred assets' value and cash flows.

Finally, as for the transfer of collection rights, transferred financial assets are derecognised even if contractual rights to receive cash flows are maintained but an obligation to pay such flows to one or more entities is taken on.

Specifically in respect of non-performing exposures, they shall be derecognised when considered unrecoverable and the Group forfeits the legal right to collect. For instance, this occurs when insolvency proceedings are settled, the borrower dies without heirs, a court issues a final ruling that the debt does not exist, etc.

As for total or partial derecognitions without a forfeiture of the right to collect the receivable (i.e. "write-off"), to avoid continuing to recognise receivables that, even though they are still managed by debt collection structures, are highly unlikely to be recovered, the Group identifies the exposures to be derecognised that have all of the following characteristics:

- the receivable has been written off;
- the receivable has been classified as a bad loan for more than 5 years;
- the counterparty has filed for bankruptcy, been put into administrative liquidation (LCA), or is subject to any insolvency proceedings.

Derecognitions are directly recorded under "Net credit risk losses/reversals" to the extent of the unadjusted remaining portion, and are recognised as a reduction of the principal. Partial or complete reversals of previous impairment losses are recognised as a reduction of "Net credit risk losses/reversals".

In some cases, throughout the life of the financial assets concerned, and specifically of receivables, the parties to the agreement subsequently agree to modify the original contractual terms. When, during the life of an instrument, the contractual terms are modified, the Group shall assess whether the original asset must continue to be recognised or, conversely, the original instrument must be derecognised and a new financial instrument recognised in its place.

Generally, modifications of a financial asset result in its derecognition and the recognition of a new asset when they are "substantial". The "substantiality" of the modification shall be assessed considering both qualitative and quantitative factors. In some cases, it will become apparent, without conducting complex analyses, that the changes introduced substantially modify the characteristics and/or contractual cash flows of a specific asset, whereas in other cases, additional analyses (including quantitative analyses) will be required to appreciate their impact and assess whether to derecognise the asset and recognise a new financial instrument.

The (quali-quantitative) analyses aimed at defining the "substantiality" of the contractual modifications made to a financial asset shall therefore consider:

- the purposes for which the modifications were made: for instance, renegotiations for business reasons or forbearance measures due to the counterparty's financial difficulties;
- the existence of specific objective factors affecting the substantial modifications of the characteristics and/or contractual cash flows of the financial instrument (including, but not limited to, the modification of the type of counterparty risk the entity is exposed to) that are believed to require derecognising the asset because of their impact (estimated to be significant) on the original contractual cash flows.

4 - 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.

The only type of hedge used by the Group at 31 December 2024 is the specific fair value hedge ("micro" fair value hedge), which is intended to hedge the exposure to changes in the fair value of a balance sheet asset or liability attributable to a particular risk.

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 equity 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 effect on profitability.

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.

5 - Equity investments

Classification criteria

This item includes interests held in associates or jointly controlled companies, which are accounted for using the equity method.

Associated companies 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 (including “potential” 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.

Recognition criteria

The initial recognition of financial assets classified in this category takes place on the settlement date at cost, including any goodwill paid at the time of acquisition, which is therefore not subject to separate, independent recognition.

Measurement criteria

Equity investments are measured using the equity method. This method requires that the initial carrying amount is subsequently increased or decreased to recognise the Group's share of the profits and losses of the investees realised after the acquisition date. Dividends received from an investee are deducted from the carrying amount of the investment.

If it is necessary to make value adjustments arising from changes in the investee company's equity that it did not recognise in the income statement (e.g., changes arising from the fair value measurement of "Financial assets measured at fair value through other comprehensive income", the measurement of actuarial gains/losses of defined benefit plans), the Group's share of these changes is recognised directly in equity item "120. Valuation reserves”.

In applying the equity method, the most recent available financial statements of the associate/jointly controlled entity are used, appropriately adjusted for any significant events or transactions that occurred between the last available financial statements of the investee and the reference date of the Consolidated Financial Statements. If the investee company uses accounting principles that differ from those used by the Group, changes are made to the financial statements of the investee.

If there is objective evidence that an equity investment may be impaired, the entity shall estimate its recoverable amount, taking into account the present value of the future cash flows that it could generate, including from its ultimate disposal. If the recoverable amount is less than the carrying amount, the difference is recognised in profit or loss.

If the reasons for the impairment no longer exist as a result of an event that occurred after the recognition of the impairment loss, this is reversed through profit or loss.

Derecognition criteria

Equity investments are derecognised when there is a sale that transfers substantially all the risks and rewards associated with them.

In the presence of a situation that results in the loss of significant influence or joint control, any remaining equity investment is reclassified to the financial asset portfolios required by IFRS 9.

6 - Property, plant and equipment

Classification criteria

The item includes property, plant and equipment held for investment purpose in accordance with IAS 40 as well as those for functional use in accordance with IAS 16.

All property (either fully owned or leased) held by the company for the purposes of obtaining rent and/or a capital gain fall under investment property.

More specifically, property, plant and equipment for functional use include:

- land;
- buildings;
- furniture and accessories;
- electronic office machines;
- various machines and equipment;
- vehicles;
- leasehold improvements on third-party property.

Those are physical assets held for use in production, in providing goods and services or for administrative purposes, and that are expected to be used for more than one fiscal year.

This item also includes the rights of use acquired through leases and relating to the use of property, plant and equipment.

Under IFRS 16, a lease is a contract, or part of a contract, that, in exchange for a fee, transfers the right to use an asset (the underlying asset) for a period of time.

Finally, the item includes leasehold improvements on third-party property and expenses relating to identifiable and separable asset. Normally, this kind of investment is sustained in order to make a property rented from third parties suitable for use.

Recognition criteria

Property, plant and equipment are initially recognised at cost, including all directly attributable costs connected to the acquisition or to bring the asset into use.

Subsequently incurred expenses are added to the carrying amount of the asset, or recognised as separate assets, if they are likely to yield future economic benefits exceeding those initially estimated and if the cost can be measured reliably; otherwise, they are recognised in profit or loss.

For tangible assets represented by rights of use in accordance with IFRS 16, the initial recognition value corresponds to the sum of the lease liability (present value of future lease payments to be paid over the lease term), lease payments made prior to or on the effective date of the lease, initial direct costs, and any costs for dismantling or restoring the asset underlying the lease.

Measurement criteria

Property, plant and equipment and investment property are measured at cost, net of any depreciation or impairment losses.

Property, plant and equipment with a finite useful life are systematically depreciated on a straight-line basis over their useful life, with the exception of that described below.

Property, plant and equipment with an indefinite useful life, whose residual value is equal to or higher than their carrying amount, are not depreciated.

For accounting purposes, land and buildings are treated separately, even when acquired together. Land is not depreciated, as it has an indefinite useful life. Where the value of land is included in the value of a building, the former is considered separately by applying the component approach. The separate values of the land and the building are calculated by independent experts in this field and only for entirely owned properties.

The useful life, residual amounts and depreciation methods of property, plant and equipment are reviewed at the closure of each year and, if expectations are not in line with previous estimates, the depreciation rate for the current year and subsequent ones is adjusted.

If there is objective evidence that an individual asset may be impaired, the asset's carrying amount is compared to its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, intended as the present value of future cash flows expected to arise from this asset. Any impairment loss is recognised in profit or loss.

When an impairment loss is reversed, the new carrying amount cannot exceed the net carrying amount that would have been measured if no impairment loss had been recognised on the asset in previous years.

The usually estimated useful lives are the following:

- buildings: not exceeding 34 years;
- furniture: not exceeding 7 years;
- electronic systems: not exceeding 5 years;
- other: not exceeding 5 years;
- improvements on third party property/leasehold improvements: not exceeding 5 years.

With reference to the asset consisting of the right of use, recorded pursuant to IFRS 16, it is measured using the cost model in accordance with IAS 16 Property, plant and equipment; in this case, the asset is subsequently depreciated on a straight-line basis over the term of the lease contract and subject to an impairment test if impairment indicators emerge.

Derecognition criteria

Property, plant and equipment are derecognised from the statement of financial position on disposal or when they are withdrawn from use and no future economic benefits are expected from their disposal. Any profit/loss that arises at the time the asset is derecognised (calculated as the difference between the net carrying amount of the asset and the amount received) is recognised in the Income Statement when the item is derecognised.

The right of use deriving from lease contracts is derecognised from the statement of financial position at the end of the lease.

7 - Intangible assets

Classification criteria

Intangible assets are non-monetary assets, identifiable even though they lack physical substance, that meet the requirements of identifiability, control over a resource and existence of future economic benefits. Intangible assets mainly include goodwill and software.

Recognition criteria

Intangible assets initially are recognised in the statement of financial position at cost, i.e. the purchase price and any direct cost incurred in preparing the asset for use.

In particular, costs incurred internally for the development of software projects constitute intangible assets and are only capitalised if all of the following conditions are met:

- the cost attributable to the development activity can be reliably determined;
- there is the intention, the availability of financial resources and the technical capacity to make the asset ready for use or sale;
- it can be demonstrated that the asset is able to produce future economic benefits. Capitalised software development costs include only those expenses incurred that can be directly attributed to the development process.

Measurement criteria

Subsequent to initial recognition, intangible assets with a finite useful life are recognised at cost less amortisation determined on the basis of their estimated useful life.

If there is objective evidence that a single asset may be impaired, the asset's carrying amount is compared to its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, intended as the present value of future cash flows expected to arise from this asset. Any impairment loss is recognised in profit or loss.

Intangible assets with an indefinite useful life, including goodwill, are recorded at cost less any impairment losses incurred. These assets are not depreciated, but only periodically checked for impairment with respect to the carrying amount.

At each year-end or interim reporting date, if there is evidence of impairment, an estimate of the asset's recoverable amount is made. The amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

With regard to goodwill, the adequacy of the carrying amount is periodically verified. In particular, whenever there is evidence of impairment, and in any case at least once a year, an impairment test is conducted. For this purpose, the cash-generating unit (CGU) to which goodwill is to be allocated is identified. This unit represents the minimum level at which goodwill is monitored for internal management purposes and must not be greater than the operating Segment determined in accordance with IFRS 8.

The amount of the impairment, if any, is determined on the basis of the difference between the carrying amount of goodwill and its recovery value, if lower. This recoverable amount is equal to the higher of the fair value of the CGU, net of any costs to sell, and its value in use. Value in use is the present value of the future cash flows expected from the generating units to which goodwill has been allocated. The resulting value adjustments are recorded in the income statement under item "270. Value adjustments of goodwill". No subsequent write-back is permitted.

Derecognition criteria

An intangible asset is derecognised from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

8 - Non-current assets and disposal groups

Non-current assets or groups of assets/liabilities for which a process of disposal has begun and their sale is considered highly probable are classified under the item of the assets “Non-current assets and disposal groups” and the item of the liabilities “Liabilities associated with assets held for sale”. With the exception of certain types of assets (e.g. financial assets coming under the scope of application of IFRS 9), for which IFRS 5 specifically establishes that the measurement criteria of the relevant accounting standard must be applied, these assets/liabilities are otherwise measured at the lower of carrying amount and their fair value net of selling costs.

Income and expenses (net of the tax effect) attributable to asset disposal groups held for sale or recognized as such during the year, are presented in the income statement in a separate item.

9 - Current and deferred taxes

Classification criteria

The items include current and deferred tax assets and current and deferred tax liabilities related to income taxes, respectively.

Current and deferred taxes, calculated in compliance with national tax laws, are recognised in profit or loss with the exception of items directly credited or debited to equity.

Current tax liabilities are shown in the statement of financial position gross of the relevant tax advances paid.

Deferred tax assets and liabilities are recognised in the statement of financial position at pre-closing balances and without set-offs, and are included in the items “Tax assets” and “Tax liabilities”, respectively, except when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which deferred tax liabilities or assets are expected to be settled or recovered.

Under the existing tax consolidation arrangements between the Group companies, the current corporate income tax (IRES) expense for the year is included in either Other assets or Other liabilities as receivables due from/payables due to the consolidating company, La Scogliera, in accordance with tax legislation.

Recognition and measurement criteria

Deferred tax assets and liabilities are calculated based on temporary differences—without time limits—between the value attributed to the asset or liability according to statutory criteria and the corresponding tax base, applying the tax rates expected to be applicable for the year in which the tax asset will be realised, or the tax liability will be settled, according to theoretical tax laws in force at the realisation date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the economic result nor taxable profit or loss;
- when the timing of the reversal of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that they can be recovered, based on the ability of the company concerned or the Parent company, as a result of the "tax consolidation" option, to continue to generate taxable profit, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the economic result nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

10 - Provisions for risks and charges

Classification criteria

Provisions for risks and charges in respect of commitments and guarantees granted

The sub-item of provisions for risks and charges under review includes 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.

The aggregate item therefore also includes the provisions for risks and charges set aside for other types of commitments and guarantees granted that, because of their specific characteristics, they do not fall within the scope of the impairment rules in IFRS 9.

Provisions for pensions and similar obligations

Pension funds are established in implementation of company agreements and qualify as defined benefit plans under IAS 19. The liability relating to these plans and the related current service cost are determined on the basis of actuarial assumptions by applying the “Projected Unit Credit Method”, which involves projecting future outflows on the basis of historical statistical analyses and the demographic curve, and discounting these flows on the basis of a market interest rate. The contributions paid in each reporting period are treated as separate units, which are recognised and valued individually for the purpose of determining the final obligation. The rate used for discounting is determined on the basis of the market yields recorded on the valuation dates of bonds of leading companies, taking into account the average residual life of the liability. The present value of the obligation at the balance sheet date is also adjusted for the fair value of any plan assets.

Actuarial gains and losses (i.e. changes in the present value of the obligation resulting from changes in actuarial assumptions and adjustments based on past experience) are recognised in the statement of comprehensive income.

Other provisions

Other reserves for risks and charges include provisions for legal or employment-related obligations or disputes, including tax disputes, arising from a past event for which it is probable that economic resources will be disbursed to fulfil the obligations, provided a reliable estimate of the amount can be made.

Criteria for measurement and recognition of income components

Provisions for risks and charges consist of liabilities of uncertain amount or maturity and are recognised in the balance sheet if:

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

- the amount of the likely future outlay can be reliably estimated.

The amount recognised as a provision represents the best estimate of the financial outlay required to settle the obligation at the reporting date and reflects the risks and uncertainties inherent in the facts and circumstances examined. Where the time element is significant, provisions are discounted using current market rates. The provision and the effect of discounting are recognised in the income statement under item "200. Net allocations to provisions for risks and charges", as well as the increase in the provision due to the passage of time.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. When the use of resources, capable of producing economic benefits to meet the obligation, becomes improbable, the provision is reversed.

In addition, each fund is only used to meet those outgoings for which it was originally established.

If it is not considered probable that financial resources will be required to be disbursed to fulfil the obligation, no provision need be recognised in the financial statements; in such a case, adequate disclosure of the possible risk of loss is required in the Notes to the financial statements, unless the likelihood of using resources is considered remote or the phenomenon is not material.

11 - Financial liabilities measured at amortised cost

Classification criteria

The item includes payables due to banks and customers and debt securities issued and is made up of the various forms of interbank funding, as well as funding from customers and through outstanding bonds, net of any buybacks.

Also included are debts entered into by the lessee under finance leases, as well as repurchase and reverse repurchase agreements for deposits and securities lent with receipt of cash collateral at the lender's full disposal. Finally, operating debts related to the provision of financial services as defined in the Consolidated Banking Act and the Consolidated Finance Act are included.

Recognition criteria

The initial recognition of these liabilities occurs upon receipt of the amounts collected or settlement of the debt securities issued and is made on the basis of the relative fair value, which is normally equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issuance transaction and not reimbursed by the creditor counterparty.

Repurchase agreements with a repurchase obligation are recorded in the balance sheet as funding transactions for the amount collected in the spot market.

Lease payables are recognised on the basis of the present value of future instalments still to be paid over the contractual term discounted at the interest rate implicit in the transaction or, if not determinable, the marginal financing rate.

Measurement criteria

After initial recognition at fair value, these instruments are later measured at amortised cost, using the effective interest method.

The amortised cost method does not apply to short-term liabilities, as the effect of discounting would be not significant.

Lease payables are revalued when there is a lease modification (i.e., a change in the perimeter of the contract), which is not accounted for/considered as a separate contract.

Derecognition criteria

Financial liabilities are derecognised when they are annulled, expired, extinguished or settled. The difference between the carrying amount and the acquisition cost is recognised in profit or loss.

Liabilities are derecognised also when previously issued securities are bought back, even if such instruments will be sold again in the future. Gains and losses from such derecognition are recognised in profit or loss when the buyback price is higher or lower than the carrying amount.

Subsequent sales of the company's own bonds on the market are considered as an issuance of new debt.

12 - Financial liabilities held for trading

Classification criteria

This item includes:

- financial liabilities issued with the intention of repurchasing them in the short term;
- liabilities that are part of a portfolio of financial instruments that are jointly managed and for which there is a proven strategy to achieve profits in the short term;
- derivative contracts with a negative fair value and not designated as hedging instruments, including those linked to assets/liabilities designated at fair value through profit or loss.

Recognition criteria

Financial liabilities held for trading are initially recognised at the date of settlement in the case of liabilities for cash, and at inception in the case of derivative contracts.

Initial recognition is made on the basis of the fair value of the liability, normally equal to the amount collected, without considering transaction costs or income directly attributable to the instrument itself, which are charged directly to the income statement.

Measurement criteria

Even after initial recognition, financial liabilities held for trading are measured at fair value at the period closure, and the impact of the application of this method is measured through profit or loss. The fair value is calculated based on the same criteria as those used for financial assets held for trading.

Derecognition criteria

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liabilities are transferred with the transfer of substantially all risks and rewards of ownership.

13 - Financial liabilities designated at fair value

It should be noted that the Group does not engage in such operations.

14 - Foreign currency transactions

Initial recognition

At initial recognition, foreign currency transactions are recognised in the money of account, applying the exchange rate at the date of the transaction.

Subsequent recognitions

At each reporting date, foreign currency monetary assets and liabilities are translated using the closing exchange rate.

Non-monetary assets and liabilities recognised at historical cost are translated at the historical exchange rate, while those measured at fair value are translated using the period-end rate. Any exchange differences arising from the settlement of monetary elements or their translation at exchange rates different from those used at initial recognition or in previous financial statements are recognised in profit or loss in the period in which they arise, excluding those relating to financial assets measured at fair value through other comprehensive income, as they are recognised in equity.

15 - Insurance assets and liabilities

It should be noted that the Group does not engage in such operations.

16 - Other information

Cash and cash equivalents

This item comprises legal tender, including foreign banknotes and divisional currencies, current accounts and "sight" deposits with central banks, with the exception of compulsory reserves, as well as "sight" claims on banks. The latter definition includes availability that can be withdrawn at any time without notice or with 24 hours or one working day's notice.

The item is recorded at face value. For foreign currencies, the face value is converted into Euro at the closing exchange rate at the end of the financial year.

Other assets

This item includes assets that cannot be allocated to other balance sheet asset items. The item may include but is not limited to:

- gold, silver and precious metals;
- accrued income other than that to be capitalised on the relevant financial assets, including that arising from contracts with customers in accordance with IFRS 15;
- receivables related to the provision of non-financial goods or services;
- tax credits related to the "Cura Italia" and "Relaunch" Decree-Laws;
- tax debit items other than those recorded under item "110. Tax assets”.

Any remaining balances (of "debit balance") of travelling and suspended items not allocated to the relevant accounts may also be included, provided they are of an not significant amount overall.

Other liabilities

This item includes liabilities that cannot be allocated to the other liability items in the balance sheet.

This item includes but is not limited to:

- payment agreements that IFRS 2 requires to be classified as payables;
- debts connected with the payment of non-financial goods and services;
- accrued expenses other than those to be capitalised on the relevant financial liabilities, including those arising from contracts with customers in accordance with IFRS 15;
- miscellaneous tax credit items other than those recorded under item "60. Tax liabilities” related, for example, to the activity of a tax substitute.

Severance indemnity (“TFR”) and other employee benefits

According to IAS 19, employee benefits include all types of remuneration provided in exchange for the work performed by employees or by virtue of the termination of the employment relationship, which can be broken down into:

- short-term benefits (other than termination benefits) that are expected to be settled within 12 months after the end of the financial year in which the employees were employed;
- post-employment benefits such as the severance indemnity;
- termination benefits due to employees following the company's decision to terminate employment before the retirement date;
- long-term benefits (other than termination benefits) that are expected to be settled over a period of more than 12 months after the end of the financial year in which the employees were employed.

Pursuant to IAS 19 "Employee benefits" and up to 31 December 2006, the so-called "TFR" (severance indemnity), post-employment benefit for employees of the Group's Italian companies, was classified as a "defined benefit plan". It therefore had to recognise this benefit by discounting it using the projected unit credit method.

Following the coming into force of the 2007 Budget Law, which brought the reform regarding supplementary pension plans - as per Italian Legislative Decree No. 252 of 5 December 2005 - forward to 1 January 2007, the employee was given a choice as to whether to allocate the post-employment benefits earned as from 1 January 2007 to supplementary pension funds or to maintain them in the company, which would then transfer it to a dedicated fund managed by INPS (the Italian National Social Security Institute).

This reform has led to changes in the accounting of post-employment benefits (severance indemnity) as for both the benefits earned up to 31 December 2006 and those earned from 1 January 2007.

In particular:

- post-employment benefits earned as from 1 January 2007 constitute a "defined-contribution plan", regardless of whether the employee has chosen to allocate them to a supplementary pension fund or to INPS's Treasury Fund. Those benefits shall be calculated according to contributions due without applying actuarial methods;
- post-employment benefits earned up to 31 December 2006 continue to be considered as a "defined-benefit plan", and as such are calculated on an actuarial basis which, however, unlike the calculation method applied until 31 December 2006, no longer requires that the benefits be proportionally attributed to the period of service rendered. This is because the employee's service is considered entirely accrued due to the change in the accounting nature of benefits earned as from 1 January 2007.

Actuarial gains/losses shall be included immediately in the calculation of the net obligations to employees through equity, to be reported in other comprehensive income.

Share-based payments

They are payments granted to employees or similar parties as remuneration for the services received that are settled in equity instruments.

The relevant international accounting standard is IFRS 2 – Share-based payments; specifically, since the Group is to settle the obligation for the service received in equity instruments (shares "to the value of", i.e. a given amount is converted into a variable number of shares based on the fair value at grant date), those payments fall under "equity-settled share-based payments". The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The cost or revenue in the income statement represents the movement in cumulative expense recognised at the beginning and end of that year.

Treasury shares

Pursuant to regulations in force in Italy, buying back treasury shares requires a specific resolution of the shareholders' meeting and the recognition of a specific reserve in equity. Treasury shares in the portfolio are deducted from equity and measured at cost, calculated using the "Fifo" method. Differences between the purchase price and the selling price deriving from trading in these shares during the reference year are recognised under equity reserves.

Recognition of income and costs

Income

Revenues are gross streams of economic benefits flowing to the entity as consideration for the obligation to transfer to the customer a wide range of goods and services in the ordinary course of business.

Under IFRS 15, an entity must recognise revenue based on the consideration expected to be received for goods and services provided in the ordinary course of business. In detail, the recognition of revenue must take place on the basis of the following five steps:

- identification of a contract, defined as an agreement of commercial substance between two or more parties capable of generating rights and obligations;
- identification of the individual obligations ("performance obligations") contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of goods or services to the customer;
- allocation of the transaction price to each performance obligation, based on the stand-alone selling price of the individual obligation;
- recognition of the revenue allocated to the individual obligation when it is settled, i.e. when the customer obtains control of the goods and services. This recognition takes into account the fact that certain services may be rendered at a specific time or over a period of time.

Revenue arising from contractual obligations with customers is recognised in profit or loss when it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services transferred to the customer. This consideration must be allocated to the individual obligations under the contract and must be recognised as income in the income statement according to the timing of performance of the obligation. In detail, revenues may be recognised in the income statement:

- at a point in time, when the entity performs the obligation to do by transferring the promised good or service to the customer, or
- over time, as the entity performs the obligation to do by transferring the promised good or service to the customer.

The obligation to perform is considered to have been performed when the customer acquires control of the transferred good or service.

The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both. In detail, the contract price may vary as a result of reductions, discounts, rebates, incentives, performance bonuses or other similar elements. The variability of the consideration may also depend on the occurrence or non-occurrence of a future event. In the case of variable consideration, revenue is recognised in the income statement if it can be reliably estimated and only if it is highly probable that all or a significant portion of the consideration will not subsequently be reversed from the income statement.

When an entity receives consideration from a customer that it expects to refund to the customer, in whole or in part, against the revenue recognised in the income statement, it is necessary to recognise a liability, to be estimated based on expected future refunds (termed a “refund liability”). The estimate of this liability is updated at each balance sheet or interim reporting date and is based on the portion of the consideration that the entity expects not to be entitled to.

Costs

Costs related to obtaining and fulfilling contracts with customers are recognised in the income statement in the periods in which the corresponding revenues are recognised; costs that do not have a direct association with revenues are immediately recognised in the income statement.

Dividends

Dividends are recognised through profit or loss in the year in which the resolution concerning their distribution is passed.

Offsetting of financial instruments

Pursuant to IAS 32, paragraph 42, financial assets and financial liabilities are netted and shown for the net balance if the entity:

- has a legal right to effect such set-off, which is currently exercisable in all circumstances, whether in the ordinary course of business or in default, insolvency or bankruptcy of the parties;
- intends to settle transactions on a net settlement basis or on a gross settlement basis whose substantive effects are equivalent to a net settlement.

Business combinations

Business combinations are subject to the rules of IFRS 3.

The transfer of control of a business (or an integrated set of activities and assets operated and managed together) constitutes a business combination.

To this end, control is considered transferred when the investor is exposed or entitled to variable returns from its involvement with the investee and, at the same time, has the ability to affect those returns through its power over the entity.

IFRS 3 demands that an acquirer be identified for all business combinations. This is defined as the entity that acquires control over another entity or group of assets. If it is not possible to identify a controlling entity on the basis of the above definition of control, such as, for example, may be the case in exchanges of equity interests, the acquirer shall be identified using factors such as: the entity whose fair value is significantly greater, the entity that pays a cash consideration or the entity that issues new equity interests.

The acquisition, and therefore, the initial consolidation of the acquiree, must be recognised on the date on which the acquirer effectively acquires control over the company or assets acquired. When the transaction takes the form of a single transfer, the transfer date normally coincides with the acquisition date. However, it is important to check for the possible presence of agreements between the parties that may result in the effective transfer of control before the date of the exchange.

The consideration paid as part of a business combination must be calculated as the sum of the fair value, at the date of the exchange, of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control.

In transactions involving payment in cash (or when payment is made using cash-equivalent financial instruments), the price is the agreed consideration, discounted if payment is to be made in instalments over the medium or long-term. If payment is made using an instrument other than cash, such as through the issue of equity instruments, the price is equal to the fair value of the means of payment, net of the costs directly attributable to the capital issue. For the methods used to determine the fair value of financial instruments, please refer to paragraph "A.4 - Fair value disclosure", with the caveat that, in the presence of shares listed on active markets, the fair value is represented by the stock market price on the date of acquisition or, in the absence thereof, by the last available price.

Adjustments subject to future events are included in the consideration of the business combination at the acquisition date, if provided for in the agreements and only if probable, able to be reliably determined and realised within twelve months of the date on which control is acquired. Instead, indemnities for a reduction of the value of the assets used are not considered insofar as they are already taken into account, either in the fair value of the equity instruments or as a reduction of the premium or increase in the discount on the initial issue (for debt instruments).

Acquisition-related costs are the costs the acquirer incurs to effectively implement a business combination. By way of example, these may include professional fees paid to auditors, experts, legal consultants, costs for appraisals and the auditing of accounts, preparation of information documents required by regulations, as well as finder's fees paid to identify potential targets to be acquired if it is contractually established that the payment is made only in the event of a successful completion of the combination, as well as the costs of registering and issuing debt and equity securities.

With the exception of the costs of issuing debt or equity securities (which shall be recognised in accordance with IAS 32), the acquirer shall recognise acquisition-related costs in the periods in which these costs are incurred and the services are received.

Business combinations are accounted for using the "acquisition method", under which the identifiable assets acquired (including any intangible assets not previously recognised by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) are recognised at their respective fair values at the acquisition date.

In addition, as expressly envisaged by IFRS 3, for each business combination, any non-controlling interests in the acquiree can be recognised at fair value (with a consequent increase in the consideration transferred) or proportionally to the non-controlling stake in the identifiable net assets of the acquiree.

If control is acquired in stages, the acquirer shall measure its previously held equity interest in the acquiree at its acquisition date at fair value; it shall recognise any difference compared to the previous carrying amount through profit or loss.

The surplus amount of the consideration transferred (i.e. the fair value of the assets transferred, the liabilities incurred or the equity instruments issued by the acquirer), the amount of any non-controlling interests (determined as described above) and the fair value of interests previously held by the acquirer, exceeding the fair value of the assets and liabilities acquired, shall be recognised as goodwill. Conversely, if the latter should exceed the sum of the consideration, non-controlling interests and fair value of previously held interests, the difference shall be recognised through profit or loss.

Business combinations may be accounted for provisionally by the end of the financial year in which they are performed with final balance calculated and booked within 12 months of the acquisition date.

Pursuant to IFRS 10, the acquisition of additional stakes in entities that are already controlled are considered equity transactions, i.e. transactions with shareholders acting in this same capacity. Therefore, differences between the acquisition costs and the carrying amount of non-controlling interests acquired are recorded under Group shareholders' equity; similarly, sales of non-controlling interests without loss of control do not generate gains/losses recognised in profit or loss but rather are recognised as changes in Group equity.

Transactions implemented to obtain control over one or more entities that do not constitute a business or to obtain temporary control are not business combinations. Equally, transactions carried out for reorganisation purposes, between two or more companies or activities that already belong to the Group and not involving a change in the control structure regardless of the percentage of third-party rights before and after the transaction, are also not business combinations; these may be referred to as combinations of entities under common control. Such transactions are considered as having no economic substance. Accordingly, in the absence of an IAS/IFRS specifically applicable to the transaction and in compliance with the assumptions of IAS 8, which requires that – in the absence of a specific standard – an entity shall use its judgement in applying an accounting standard that produces relevant, reliable and prudent information able to reflect the economic substance of the transaction, such transactions are accounted for by retaining the values of the acquiree in the financial statements of the acquirer.

Mergers are the most complete form of business combination, as they entail the legal and financial merging of the entities participating in the transaction.

Whether they involve the formation of a new legal entity (merger of equals) or the absorption of one entity by another existing entity, mergers are treated in accordance with the criteria set out above. Specifically:

- if the transaction involves the transfer of control of an entity, it is treated as a business combination pursuant to IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for by retaining the carrying values.

A.3 - Disclosure of transfers of financial assets between portfolios

No financial assets were transferred between portfolios during 2024.

A.4 - Fair value disclosure

Qualitative disclosure

Fair value is the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date, under current market conditions (i.e. the exit price), regardless of the fact that said price is directly observable or that another measurement approach is used.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

IFRS 13 establishes a fair value hierarchy based on the extent to which inputs to valuation techniques used to measure the underlying assets/liabilities are observable. Specifically, the hierarchy consists of three Levels.

- Level 1: the instrument's fair value is measured based on (unadjusted) quoted prices in active markets;
- Level 2: the instrument's fair value is measured based on valuation models using inputs observable in active markets, such as:
  - quoted prices for similar assets or liabilities;
  - quoted prices for identical or similar assets or liabilities in non-active markets;
  - observable inputs such as interest rates or yield curves, implied volatility, default rates and illiquidity factors;
  - inputs that are not observable but supported and confirmed by market data;
- Level 3: the instrument's fair value is measured based on valuation models using mainly inputs that are unobservable in active markets.

Each financial asset or liability of the Group is categorised in one of the above Levels, and the relevant measurements may be recurring or non-recurring (see IFRS 13, paragraph 93, letter a). The fair value measurement is categorised in its entirety in the same Level of the fair value hierarchy as the lowest Level input.

The choice among the valuation techniques is not optional, since these shall be applied in a hierarchical order: indeed, the fair value hierarchy gives the highest priority to (unadjusted) quoted prices available in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Measurement techniques used to measure fair value are applied consistently on an on-going basis, as described below.

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

In the absence of quoted prices in an active market, the fair value measurement of a financial instrument is performed using valuation techniques maximising the use of inputs observable on the market.

The use of a valuation technique is intended to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. In this case, the fair value measurement may be categorised in Level 2 or Level 3, according to what extent inputs to the pricing model are observable.

In the absence of observable prices in an active market for the financial asset or liability to be measured, the fair value of the financial instruments is measured using the so-called comparable approach (Level 2), requiring valuation models based on market inputs.

In this case, the valuation is not based on the quoted prices of the financial instrument being measured (identical asset), but on prices, credit spreads or other factors derived from the official quoted prices of instruments that are substantially similar in terms of risk factors and duration/return, using a given calculation method (pricing model).

In the absence of quoted prices in an active market for a similar instrument, or should the characteristics of the instrument to be measured not allow to apply models using inputs observable in active markets, it is necessary to use valuation models assuming the use of inputs that are not directly observable in the market and, therefore, requiring to make estimates and assumptions (non observable input - Level 3). In these cases, the financial instrument is measured using a given calculation method that is based on specific assumptions regarding:

- the trend in future cash flows, possibly contingent on future events whose probability of occurring can be derived from historical experience or based on behavioural assumptions;
- the Level of specific inputs not quoted on active markets:for the purposes of estimating them, information acquired from prices and spreads observed on the market shall have a higher priority. If these are not available, entities shall use historical data about the specific underlying risk factor or specialist research on the matter (e.g. reports by ratings agencies or primary market players).

In the cases described above, consideration is always given to the value of potentially making valuation adjustments taking into account the risk premiums that operators typically consider in pricing instruments. If not explicitly considered in the valuation model, valuation adjustments may include:

- model adjustment: adjustments that take into account any deficiencies in the valuation models highlighted during calibration;
- liquidity adjustment: adjustments that take into account the bid-ask spread if the model calculates a mid-price;
- credit risk adjustment: adjustments related to the counterparty or own credit risk;
- other risk adjustment: adjustments related to a risk premium "priced" in the market (e.g. relating to the complexity of valuation of an instrument).

With regard to fair value measurement, the Group adopts various methodologies, depending on the specific characteristics of the products being valued.

To measure receivables that must be measured at fair value, the method used is the Discounted Cash Flow (DCF) Model to receivables mandatorily measured at fair value, discounting the expected cash flows from each loan at a market rate determined by taking into account the risk free rate (r_f) for similar maturities, the Cost of Funding (COF), the counterparty's credit risk, and the capital absorption cost.

For the measurement of unlisted equities, mainly income and financial models are used, in particular the method defined as "Market Multiples of Comparable Companies" to which a control method such as the "Discounted Cash Flow Model" or the "Comparable Transactions Method" is compared. The latter method is applied to transactions that have similar economic and asset characteristics to the one being valued and adjusted for the economic and asset magnitudes of the asset being valued.

With specific reference to the valuation of UCITS units, the approach used takes Net Asset Value (NAV) as the starting point for determining fair value. Thereafter, it must be verified whether, in determining the NAV, the fund's assets have been measured at fair value in accordance with the applicable international standards. A discount is applied to the NAV determined in this way using a structured rate as described below:

- liquidity adjustment: the liquidity discount must take into account the inability to mobilise the economic commitment in the short term. This discount, which refers to a time horizon expressing the average duration of the investments in the fund, is applied to the NAV defined above inversely proportional to

changes in the NAV itself. Once the investment phase is over, the discount applied will decrease proportionally from year to year until it settles at the base discount applied for the first year;
- credit risk adjustment: the credit risk discount must take into account the probability of default of the underlying asset in which the fund invests;
- other risk adjustment: this category includes the discount of any other significant element known to the manager of the instrument at the time of measurement.

As for over-the-counter (OTC) derivatives not quoted in active markets, their fair value is calculated based on measurement techniques that take into account all risk factors that could affect the value of the financial instrument concerned, using observable market inputs (interest rates, exchange rates, share indices, etc.) adjusted as appropriate to account for the creditworthiness of the specific counterparty, including the counterparty's credit risk (CVA, Credit Valuation Adjustment) and/or the Group's own credit risk (DVA, Debit Valuation Adjustment).

The change in interest rates, which occurred during the year, had an impact on the fair value of derivatives. However, with reference to the measurement of counterparty risk (Credit Valuation Adjustment and Debit Valuation Adjustment), as of 31 December 2024, the impact on the balance sheet values of derivatives with mark-to-market, both positive and negative, is substantially nil as almost all derivative financial instruments are securitised through Credit Support Agreements (CSA). The balance at 31 December 2024 of derivatives, for which there is no counterparty risk mitigation (CSA) element, should not be considered significant and amounts to 127 thousand Euro.

As for the measurement of financial assets and liabilities measured at fair value on a non-recurring basis, the relevant portfolio consists of on-balance-sheet exposures classified as performing with a residual life exceeding one year (medium-long term). Fair value is therefore by convention taken as equal to the carrying amount for all exposures classified as impaired, other than those of the Npl Segment, the ones with a residual life less than one year are excluded from the measurement, as, for these, the Bank believes that their carrying amount can be used as an approximation of fair value.

For non-performing loans (bad loans, unlikely to pay, past due) other than those of the Npl Segment, the fair value is conventionally assumed to be equal to the net carrying amount and is shown in Level 3. In this regard, it should be noted that, in the recent past, significant transactions of assignments of non-performing loans have been observed on the Italian market, with prices that have discounted the specific characteristics of the portfolios sold and the different yields demanded by the buyers. The fair value determined on the basis of the aforementioned transactions would therefore be characterised by a high dispersion of values, such that the identification of a reference value would not be objective.

For the purposes of measuring performing loans at fair value, given the absence of prices directly observable on active and liquid markets, entities shall use valuation techniques based on a theoretical model meeting the requirements of IAS/IFRS standards (Level 3). The approach used to determine the fair value of performing loans is the aforementioned DCF Model applied to loans with a residual maturity of more than one year, while the nominal amount is considered for other loans with short or no maturity. Future cash flows consist of the sum of principal and interest and are discounted using a rate formed by the credit spread (coverage curve) and the 3-month Euribor rate.

As for the receivables portfolio of the Npl Segment, which purchases and manages non-performing receivables mainly due from individuals, the specified DCF Model is used to calculate fair value. In this case, the expected net cash flows are discounted at a market rate. The market rate is calculated without considering a credit spread, since the credit risk of the individual counterparties is already incorporated in the statistical model used to estimate future cash flows with regard to collective management (non-judicial operations). The model projects the relevant cash flows based on historical evidence concerning the recovery of positions in the Group's portfolio. As for individual management (judicial operations), the projections of future cash flows are based on an internal algorithm or defined by the manager according to how the underlying receivable is being processed.

For financial liabilities at amortised cost, the fair value calculated for disclosure purposes is determined by applying the following methodologies:

- for medium- and long-term liabilities, the measurement is performed by discounting future cash flows using an interest rate that incorporates its own credit risk component;
- for on-demand liabilities with short-term or indefinite maturity, the carrying amount is a good approximation of fair value.

A.4.2 Measurement processes and sensitivity

In compliance with IFRS 13, save for what is specified below, for financial assets and liabilities measured at fair value categorised within Level 3, the Group tests their sensitivity to changes in one or more unobservable inputs used in the fair value measurements like, by way of example and in no means exhaustive, discount rates applied to cash flows or expected cash flows themselves.

With regard to debt security exposures measured at Level 3 fair value, amounting to 70,2 million Euro at 31 December 2024, the effects of potential changes in the parameters used are deemed not significant.

For equity securities and units of Level 3 UCITSs, respectively equal, at 31 December 2024, to 141,5 million Euro and 92,3 million Euro, it is generally not possible to perform any quantitative sensitivity analysis of fair value to changes in unobservable inputs, as either the fair value is derived from third-party sources, or it is the result of a model whose inputs are specific to the entity being valued (e.g. company assets) and for which the information necessary for a sensitivity analysis is not available.

A.4.3 Fair value hierarchy

Concerning recurring fair value measurements of financial assets and liabilities, the Banca Ifis Group transfers them between Levels of the hierarchy based on the following guidelines:

- for debt securities and financing:
  - the transfer from Level 3 to Level 2 takes place when the inputs to the valuation technique used are observable at the measurement date;
  - the transfer from Level 3 to Level 1 is allowed when it is confirmed that there is an active market for the instrument at the measurement date;
  - finally, they are transferred from Level 2 to Level 3 when some inputs relevant in measuring fair value are not directly observable at the measurement date;
- for equity instruments, the Level transfer takes place when:
  - observable inputs became available during the period (e.g. prices for identical assets and liabilities defined in comparable transactions between independent and knowledgeable parties). In this case, they are reclassified from Level 3 to Level 2;
  - inputs directly or indirectly observable used in measuring them are no longer available or current (e.g. no recent comparable transactions or no longer applicable multiples). In this case, the entity shall use valuation techniques incorporating unobservable inputs.

A.4.4 Other information

There is no further information to report than that presented in the preceding paragraphs.

Quantitative information

A.4.5 Fair value hierarchy

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

Financial assets/liabilities measured at fair value (in thousands of Euro)	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	5.785	12.069	231.247	5.144	12.896	216.838
a) financial assets held for trading	-	*12.069*	-	-	*12.896*	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	*5.785*	-	*231.247*	*5.144*	-	*216.838*
2. Financial assets measured at fair value through other comprehensive income	623.522	5.574	72.734	673.789	5.373	70.014
3. Hedging derivatives	-	7.404	-	-	-	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**629.307**	**25.047**	**303.981**	**678.933**	**18.269**	**286.852**
1. Financial liabilities held for trading	-	13.765	-	-	14.005	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	14.868	-	-	11.644	-
Total	**-**	**28.633**	**-**	**-**	**25.649**	**-**

Key:
L1 = Level 1: fair value of a financial instrument quoted in an active market;
L2 = Level 2 fair value measured using valuation techniques based on observable market inputs other than the financial instrument's price;
L3 = Level 3 fair value calculated using valuation techniques based on inputs not observable in the market.

At 31 December 2024, the impact of applying the Credit Valuation Adjustment to the carrying amounts of derivatives with a positive mark-to-market is essentially nil; as for the instruments with a negative mark-to-market, there is no impact resulting from the application of the Debit Valuation Adjustment to the carrying amounts of the derivatives.

With regard to hedging derivatives, all instruments are securitised through CSAs.

Financial assets held for trading and financial liabilities held for trading at 31 December 2024 comprise only trading derivatives, all of which are classified as Level 2.

Financial assets measured at fair value through other comprehensive income mainly consist of listed securities (Level 1). With regard to securities in Level 3, the amount includes shares in the Bank of Italy with a carrying amount of 50,0 million Euro.

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

	Financial assets measured at fair value through profit or loss				Financial assets at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	*of which: a) financial assets held for trading*	*of which: b) financial assets designated at fair value*	*of which: c) other financial assets mandatorily measured at fair value*				
1. Opening balance	**210.322**	**-**	**-**	**210.322**	**70.009**	**-**	**-**	**-**
2. Increases	**73.179**	**-**	**-**	**73.179**	**5.581**	**-**	**-**	**-**
2.1. Purchases	42.693	-	-	42.693	3.556	-	-	-
2.2. Profit taken to:	30.237	-	-	30.237	2.025	-	-	-
2.2.1. Income Statement	30.237	-	-	30.237	-	-	-	-
- of which capital gains	*23.399*	-	-	*23.399*	-	-	-	-
2.2.2. Equity	-	X	X	X	2.025	-	-	-
2.3. Transferred from other Levels	-	-	-	-	-	-	-	-
2.4. Other increases	249	-	-	249	-	-	-	-
3. Decreases	**52.254**	**-**	**-**	**52.254**	**2.856**	**-**	**-**	**-**
3.1. Sales	19.495	-	-	19.495	1.205	-	-	-
3.2. Reimbursements	24.682	-	-	24.682	-	-	-	-
3.3. Losses taken to:	6.747	-	-	6.747	1.651	-	-	-
3.3.1. Income Statement	6.747	-	-	6.747	-	-	-	-
- of which capital losses	*5.457*	-	-	*5.457*	-	-	-	-
3.3.2. Equity	-	X	X	X	1.651	-	-	-
3.4. Transferred to other Levels	-	-	-	-	-	-	-	-
3.5. Other decreases	1.330	-	-	1.330	-	-	-	-
4. Closing balance	**231.247**	**-**	**-**	**231.247**	**72.734**	**-**	**-**	**-**

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

The Banca Ifis Group does not hold liabilities measured at fair value on a recurring basis at Level 3.

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis (in thousands of Euro)	31.12.2024				31.12.2023			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	11.513.781	2.240.235	2.089	9.300.909	11.259.701	2.341.123	-	8.907.986
2. Property, plant and equipment held for investment purpose	210	-	-	210	407	-	-	407
3. Non-current assets and disposal groups	-	-	-	-	-	-	-	-
Total	**11.513.991**	**2.240.235**	**2.089**	**9.301.119**	**11.260.108**	**2.341.123**	**-**	**8.908.393**
1. Financial liabilities measured at amortised cost	11.597.750	1.455.245	112.439	9.917.719	11.820.658	1.329.813	104.630	10.726.387
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**11.597.750**	**1.455.245**	**112.439**	**9.917.719**	**11.820.658**	**1.329.813**	**104.630**	**10.726.387**

Key:
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Financial assets measured at amortised cost include bank and customer debt securities measured at amortised cost with a carrying amount at 31 December 2024 of 2.504,6 million Euro and a fair value of 2.130,4 million Euro (of which 1.945,7 million Euro at Level 1, 2,1 million Euro at Level 2 and 182,6 million Euro at Level 3). This perimeter includes government bonds at amortised cost with a carrying amount at the end of December 2024 of 1.579,0 million Euro, corresponding to a Level 1 fair value of 1.328,8 million Euro. The balance reported at Level 3 consists mainly of credit exposures.

Level 1 amortised cost financial liabilities relate to bonds issued by the Parent Company Banca Ifis.

A.5 - Disclosure on day one profit/loss

With reference to the provisions of IFRS 7 par. 28, a financial instrument must initially be recognised at a value equal to its fair value which, unless there is evidence to the contrary, is equal to the price paid/collected in trading. The above standard governs such cases by establishing that an entity may recognise a financial instrument at a fair value other than the consideration given or received only if the fair value is evidenced:

- by comparison with other observable current market transactions in the same instrument;
- through valuation techniques using exclusively, as variables, data from observable markets.

In other words, the assumption under IFRS 9, whereby fair value is equal to the consideration given or received, may be overcome only if there is objective evidence that the consideration given or received is not representative of the actual market value of the financial instrument being traded.

Such evidence must be derived only from objective and non-refutable parameters, thus eliminating any hypothesis of discretion on the part of the evaluator.

The difference between the fair value and the negotiated price, only when the above conditions are met, is representative of the day one profit and is immediately recognised in the income statement.

No such transactions were carried out as part of the Group's operations during 2024.

Part B - Information on the Consolidated Statement of Financial Position

ASSETS

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: breakdown

	31.12.2024	31.12.2023
a) Cash	19	29
b) Current accounts and on demand deposits at Central banks	220.000	515.114
c) Current accounts and on demand deposits at banks	284.997	342.390
Total	**505.016**	**857.533**

The item includes sight bank accounts and amount to 505,0 million Euro at 31 December 2024. The decrease compared to the figure of 857,5 million Euro at the end of 2023 is related to the decrease in overnight deposits with the Bank of Italy (-295,0 million Euro). The general trend of the item during 2024 is driven by the reshaping of funding in relation to the trend and composition of Group loans.

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

2.1 Financial assets held for trading: breakdown by type

Items/Amounts	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt securities	-	-	-	-	-	-
1.1 Structured	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Reverse repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives	**-**	**-**	**-**			
1. Financial derivatives	-	12.069	-	-	12.896	-
1.1 for trading	-	12.069	-	-	12.896	-
1.2 connected to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 for trading	-	-	-	-	-	-
2.2 connected to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	**-**	**12.069**	**-**	**-**	**12.896**	**-**
Total (A+B)	**-**	**12.069**	**-**	**-**	**12.896**	**-**

At 31 December 2024, financial assets held for trading amount to 12,1 million Euro (down from the figure of 12,9 million Euro at 31 December 2023) and refer entirely to transactions in derivatives, mainly balanced by mirror positions recorded under financial liabilities held for trading.

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

Items/Amounts	31.12.2024	31.12.2023
A. Cash assets		
1. Debt securities	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non-financial companies	-	-
d) Other issuers	-	-
3. UCITS units	**-**	**-**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**-**	**-**
B. Derivatives		
a) Central Counterparties	-	-
b) Other	12.069	12.896
Total (B)	**12.069**	**12.896**
Total (A+B)	**12.069**	**12.896**

2.3 Financial assets designated at fair value: breakdown by type

In these Consolidated Financial Statements, this item has no value.

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

In these Consolidated Financial Statements, this item has no value.

2.5 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Amounts	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**69.042**	**-**	**-**	**86.919**
1.1. Structured	-	-	-	-	-	-
1.2. Other debt securities	-	-	69.042	-	-	86.919
2. Equity securities	**-**	**-**	**68.725**	**-**	**-**	**51.051**
3. UCITS units	**5.785**	**-**	**92.273**	**5.144**	**-**	**71.766**
4. Loans	**-**	**-**	**1.207**	**-**	**-**	**7.102**
4.1. Reverse repurchase agreements	-	-	-	-	-	-
4.2. Others	-	-	1.207	-	-	7.102
Total	**5.785**	**-**	**231.247**	**5.144**	**-**	**216.838**

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

Financial assets mandatorily measured at fair value through profit or loss total 237,0 million Euro at 31 December 2024. This item consists of loans and debt securities that did not pass the SPPI test, equity securities from minority shares and UCITS units.

Debt securities classified as Level 3, amounting to 69,0 million Euro as at 31 December 2024, are instead entirely represented by junior, mezzanine and single-tranche securities related to securitisation transactions for a total of 86,9 million Euro at the end of 2023.

Equity securities refer to transactions of the Equity Investment segment in minority shares of companies.

The item "UCITS units", totalling 98,1 million Euro as of 31 December 2024, is made up of 92,4 million Euro relating to units held by the Parent Company Banca Ifis (of which 82,0 million Euro in equity and bond funds, 9,1 million Euro in real estate funds and the remainder in multi-fund sub-funds) and 5,6 million Euro relating to units held by the subsidiary Ifis Npl Investing and relating to funds specialised in the management of performing and non performing loans. The values classified at Level 1 refer to an investment by the Parent Company made in 2023 in a listed equity fund.

2.6 Financial assets mandatorily measured at fair value: breakdown by debtor/issuer

	31.12.2024	31.12.2023
1. Equity securities	**68.725**	**51.051**
of which: banks	-	-
of which: other financial companies	*1.166*	*3.052*
of which: non-financial companies	*67.559*	*48.000*
2. Debt securities	**69.042**	**86.919**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	69.042	86.919
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. UCITS units	**98.058**	**76.910**
4. Loans	**1.207**	**7.102**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	13	71
of which: insurance companies	-	-
e) Non-financial companies	1.194	7.031
f) Households	-	-
Total	**237.032**	**221.982**

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

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

Items/Amounts	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**539.362**	**5.574**	**-**	**628.933**	**5.373**	**-**
1.1 Structured	4.462	-	-	4.370	-	-
1.2 Other debt securities	534.900	5.574	-	624.563	5.373	-
2. Equity securities	**84.160**	**-**	**72.734**	**44.856**	**-**	**70.014**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**623.522**	**5.574**	**72.734**	**673.789**	**5.373**	**70.014**

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

Debt securities owned measured at fair value through other comprehensive income decrease by 89,4 million Euro (-14,1%) compared to the balance at 31 December 2023, mainly due to the effect of natural maturities and disposals during the year (-361,9 million Euro, of which -249,2 million Euro related to government bonds, mainly due to the reaching of natural maturities), only partially offset by new subscriptions for the year (+276,4 million Euro, of which +243,6 million Euro related to government bonds) and the increase in fair value measurements (+1,9 million Euro, essentially due to government securities). The related associated net negative fair value reserve amounts to 16,6 million Euro at 31 December 2024, of which 15,9 million Euro associated with Government securities.

Level 1 “other debt securities” refer for 455,3 million Euro to Italian and foreign Government bonds (460,2 million Euro at end 2023).

Equity securities are attributable to non-controlling interests, which amount to 156,9 million Euro at the end of FY 2024, up 36,6% compared to 31 December 2023, mainly due to investments made in 2024 (+70,5 million Euro, of which 39,6 million Euro on foreign investments), only partly offset by disposals during the year (-25,9 million Euro) and by the decline recorded in fair value amounts in 2024 (-2,5 million Euro). Most of the equity securities consist of shares in the Bank of Italy (50,0 million Euro) as well as interests in leading companies in the banking and insurance, energy and telecommunications sectors, both Italian and foreign. The net fair value reserve associated with this portfolio at 31 December 2024 shows a negative value of 7,7 million Euro, better than the negative figure posted at the end of 2023 of 14,4 million Euro.

Level 3 securities mainly include the specified shares of the Bank of Italy as well as minority interests.

With specific reference to the shares held in the share capital of the Bank of Italy (2.000 shares) corresponding to 0,7% of the entire share capital, the carrying amount of 50 million Euro is obtained by valuing each share at a unit value of 25.000 Euro. In this regard, it should be noted that these units derive from the capital increase transaction carried out by the Bank of Italy in 2013 as a result of Decree-Law No. 133 of 30 November 2013, converted by Law No. 5 of 29 January 2014, which resulted in the issuance of new quotas, for a value of 25.000 Euro per unit.

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

Items/Amounts	31.12.2024	31.12.2023
1. Debt securities	**544.936**	**634.306**
a) Central Banks	-	-
b) Public Administrations	455.312	460.187
c) Banks	34.310	93.023
d) Other financial companies	20.103	26.345
of which: insurance companies	-	-
e) Non-financial companies	35.211	54.751
2. Equity securities	**156.894**	**114.870**
a) Banks	61.959	51.772
b) Other issuers:	94.935	63.098
- other financial companies	5.712	9.879
of which: insurance companies	*1.750*	*3.881*
- non-financial companies	89.223	53.219
- other	-	-
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**701.830**	**749.176**

3.3 Financial assets measured at fair value through other comprehensive income: gross amount and overall impairment losses/reversals

	Gross amount					Overall impairment losses/reversals				Overall partial write-offs(1)
	Stage 1	*of which: Low credit risk instru-ments*	Stage 2	Stage 3	Purchased or originated impaired	Stage 1	Stage 2	Stage 3	Purchased or originated impaired	
Debt securities	541.982	*541.982*	3.635	-	-	(363)	(318)	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**541.982**	***541.982***	**3.635**	**-**	**-**	**(363)**	**(318)**	**-**	**-**	**-**
Total 31.12.2023	**632.507**	***632.507***	**2.962**	**-**	**-**	**(1.032)**	**(131)**	**-**	**-**	**-**

(1) Amount to be reported for disclosure purposes.

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

4.1 Financial assets measured at amortised cost: breakdown of receivables due from banks by type

Type of transaction/Amounts	31.12.2024						31.12.2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3
A. Receivables due from Central banks	**73.189**	**-**	**-**	**-**	**-**	**73.189**	**25.490**	**-**	**-**	**-**	**-**	**25.490**
1. Term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	73.189	-	-	X	X	X	25.490	-	-	X	X	X
3. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
B. Receivables due from banks	**630.574**	**-**	**-**	**546.011**	**2.089**	**94.635**	**612.077**	**-**	**-**	**588.822**	**-**	**36.437**
1. Loans	74.514	-	-	-	-	74.513	35.237	-	-	919	-	34.322
1.1. Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Term deposits	2.381	-	-	X	X	X	1.843	-	-	X	X	X
1.3 Other loans:	72.133	-	-	X	X	X	33.394	-	-	X	X	X
- Reverse repurchase agreements	25.181	-	-	X	X	X	-	-	-	X	X	X
- Financing for leasing	278	-	-	X	X	X	100	-	-	X	X	X
- Other	46.674	-	-	X	X	X	33.294	-	-	X	X	X
2. Debt securities	556.060	-	-	546.011	2.089	20.122	576.840	-	-	587.903	-	2.115
2.1 Structured	2.045	-	-	-	2.089	-	9.411	-	-	7.296	-	2.115
2.2 Other debt securities	554.015	-	-	546.011	-	20.122	567.429	-	-	580.607	-	-
Total	**703.763**	**-**	**-**	**546.011**	**2.089**	**167.824**	**637.567**	**-**	**-**	**588.822**	**-**	**61.927**

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

4.2 Financial assets measured at amortised cost: breakdown of receivables due from customers by type

Type of transaction/Amounts	31.12.2024						31.12.2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3
1. Loans	**7.119.274**	**209.252**	**1.532.921**	**-**	**-**	**8.921.742**	**6.711.989**	**221.968**	**1.666.273**	**175.178**	**15.435**	**8.445.556**
1.1. Current accounts	61.052	8.546	193.604	X	X	X	73.200	6.119	202.957	X	X	X
1.2. Reverse repurchase agreements	153.628	-	18	X	X	X	-	-	4	X	X	X
1.3. Loans/mortgages	2.224.207	77.939	115.892	X	X	X	2.225.751	61.613	132.549	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	151.878	7.171	545.879	X	X	X	93.291	2.653	671.095	X	X	X
1.5. Financing for leasing	1.384.065	12.832	14.422	X	X	X	1.352.041	10.270	12.961	X	X	X
1.6. Factoring	2.375.738	65.276	2.212	X	X	X	2.361.896	118.218	465	X	X	X
1.7. Other loans	768.706	37.488	660.894	X	X	X	605.810	23.095	646.242	X	X	X
2. Debt securities	**1.946.365**	**2.206**	**-**	**1.694.225**	**-**	**211.343**	**2.021.904**	**-**	**-**	**1.753.065**	**-**	**196.532**
2.1. Structured	13.246	-	-	8.857	-	4.491	16.561	-	-	10.808	-	5.511
2.2. Other debt securities	1.933.119	2.206	-	1.685.368	-	206.852	2.005.343	-	-	1.742.257	-	191.021
Total	**9.065.639**	**211.458**	**1.532.921**	**1.694.225**	**-**	**9.133.085**	**8.733.893**	**221.968**	**1.666.273**	**1.928.243**	**15.435**	**8.642.088**

The item "Impaired acquired or originated", equal to a carrying amount of 1.532,9 million Euro at 31 December 2024, includes 1.507,4 million Euro in impaired purchased loans of the Npl Segment (which constitute the core business of this Segment; for further details, please refer to the section "Contribution of operating Segments to Group results" and “Part L - Segment reporting” of these Notes to the Consolidated Financial Statements), of which 1.496,8 million Euro as non-performing loans at 31 December 2024 and 10,7 million Euro performing, while the remainder mainly regards the impaired assets resulting from the business combinations carried out in previous years.

At 31 December 2024, other debt securities include 1.579,0 million Euro in Italian and foreign government securities acquired by Banca Ifis with a view to optimising Group liquidity (1.628,7 million Euro at 31 December 2023). Level 3 securities mainly include investments in securitisations and minibonds.

4.3 Financial assets measured at amortised cost: breakdown of receivables due from customers by debtor/issuer

Type of transaction/Amounts	31.12.2024			31.12.2023		
	Stages 1 and 2	Stage 3	Purchased or originated impaired	Stages 1 and 2	Stage 3	Purchased or originated impaired
1. Debt securities	**1.946.365**	**2.206**	**-**	**2.021.904**	**-**	**-**
a) Public Administrations	1.603.377	-	-	1.660.629	-	-
b) Other financial companies	265.863	2.206	-	273.183	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	77.125	-	-	88.092	-	-
2. Loans to:	**7.119.274**	**209.252**	**1.532.921**	**6.711.987**	**221.970**	**1.666.273**
a) Public Administrations	251.370	30.958	64	266.488	76.198	66
b) Other financial companies	520.576	427	2.028	272.159	1.601	1.498
of which: insurance companies	*2.052*	-	-	*1.024*	*21*	-
c) Non-financial companies	5.602.416	146.308	168.236	5.438.696	119.771	192.978
d) Households	744.912	31.559	1.362.593	734.644	24.400	1.471.731
Total	**9.065.639**	**211.458**	**1.532.921**	**8.733.891**	**221.970**	**1.666.273**

4.4 Financial assets measured at amortised cost: gross amount and overall impairment losses/reversals

	Gross amount					Overall impairment losses/reversals				Overall partial write-offs(1)
	Stage 1	*of which: low credit risk instruments*	Stage 2	Stage 3	Purchased or originated impaired	Stage 1	Stage 2	Stage 3	Purchased or originated impaired	
Debt securities	2.503.380	*2.503.380*	1.004	3.200	-	(1.956)	(3)	(994)	-	-
Loans	6.732.645	*647.452*	605.572	416.207	1.532.921	(44.596)	(26.644)	(206.955)	-	(12.219)
Total 31.12.2024	**9.236.025**	***3.150.832***	**606.576**	**419.407**	**1.532.921**	**(46.552)**	**(26.647)**	**(207.949)**	**-**	**(12.219)**
Total 31.12.2023	**8.937.160**	***3.271.192***	**547.479**	**402.475**	**1.666.273**	**(74.023)**	**(39.157)**	**(180.506)**	**-**	**(3.010)**

(1) Amount to be reported for disclosure purposes

Section 5 - Hedging derivatives - Item 50

5.1 Hedging derivatives: breakdown by hedge type and levels

	Fair value 31.12.2024			NA 31.12.2024	Fair value 31.12.2023			NA 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1) Fair value	-	7.404	-	188.163	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**7.404**	**-**	**188.163**	**-**	**-**	**-**	**-**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Derivative hedging assets, which show a positive fair value of 7,4 million Euro as of 31 December 2024, relate to the micro fair value hedging strategies on the price risk associated with equity securities measured at fair value through other comprehensive income and the interest rate risk on debt securities measured at fair value through other comprehensive income, both initiated during the year.

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

Transactions/Hedge type	Fair value							Cash flows		Foreign investments
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equity securities and stock indices	currencies and gold	credit	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	1.432	5.972	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**1.432**	**5.972**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	-
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X		-

Section 6 - Value adjustment of financial assets generically hedged - Item 60

In these Consolidated Financial Statements, this item has no value.

Section 7 - Equity investments - Item 70

7.1 Equity investments: information on investments

Company name	Registered office	Head office	Type of relationship	Investment		Availability votes %
				Investing company	Share %	
A. Joint Ventures						
B. Companies under significant influence (1)						
1. Justlex Italia S.T.A.P.A.	*Rome*	*Rome*	*4*	*Ifis Npl Investing S.p.A.*	*20%*	*20%*
2. Redacta S.T.A. a r.l.	*Ravenna*	*Ravenna*	*4*	*Ifis Npl Servicing S.p.A.*	*33%*	*33%*

(1) This item includes some companies excluded from the scope of consolidation, as they are small in amount.

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 - company under significant influence
5 - joint management pursuant to Article 26, paragraph 1, Italian Legislative Decree No. 87/92
6 - joint management pursuant to Article 26, paragraph 2, Italian Legislative Decree No. 87/92
7 - joint control
8 - other type of relationship

For more details on the logic of including or not including in the consolidation area the equity investments held by the Group, please refer to "Section 3 - Scope and methods of consolidation" of "A.1 - General part" of "Part A - Accounting policies" of these Notes to the Consolidated Financial Statements.

7.2 Significant shareholdings: carrying amount, fair value and dividends received

In these Consolidated Financial Statements, this item has no value.

7.3 Significant shareholdings: accounting information

In these Consolidated Financial Statements, this item has no value.

7.4 Non-significant shareholdings: accounting information

Company name	Carrying amount of equity investments	Total assets	Total liabilities	Total revenues	Profit (loss) from continuing operations, net of taxes	Profit (loss) from operations, net of taxes	Profit (loss) for the year (1)	Other comprehensive income, net of taxes (2)	Comprehensive income (3)=(1) + (2)
Joint ventures	-	-	-	-	-	-	-	-	-
Companies under significant influence	**24**	**7.973**	**7.435**	**15.727**	**126**	**126**	**126**	**-**	**126**

(1) This item includes some companies excluded from the scope of consolidation, as they are small in amount.

7.5 Equity investments: annual changes

	31.12.2024	31.12.2023
A. Opening balance	**24**	**-**
B. Increases	**-**	**24**
B.1 Purchases	-	-
B.2 Reversals of impairment losses	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	24
C. Decreases	**-**	**-**
C.1 Sales	-	-
C.2 Impairment losses/reversals	-	-
C.3 Devaluations	-	-
C.4 Other changes	-	-
D. Closing balance	**24**	**24**
E. Total revaluations	**-**	**-**
F. Total adjustments	**-**	**-**

7.6 Significant assessments and assumptions to establish the existence of joint control or significant influence

Refer to "Section 3 - Scope and methods of consolidation" in "A.1 - General part" of "Part A - Accounting policies" of these Notes to the Consolidated Financial Statements.

7.7 Commitments in respect of interests in companies held jointly

The Banca Ifis Group has no shareholdings in jointly controlled companies, so there are no commitments as set out in this disclosure.

7.8 Commitments in respect of interests in companies subject to significant influence

There are no commitments in respect of the equity investments under this item.

7.9 Significant restrictions

There are no significant restrictions with regard to the participations recorded in these Consolidated Financial Statements.

7.10 Other information

There is no further information to report than that already presented in the preceding paragraphs.

Section 8 - Insurance assets - Item 80

In these Consolidated Financial Statements, this item has no value.

Section 9 - Property, plant and equipment - Item 90

9.1 Property, plant and equipment for functional use: breakdown of assets measured at cost

Assets/Amounts	31.12.2024	31.12.2023
1. Owned	**142.769**	**119.555**
a) Land	20.297	20.297
b) Buildings	74.246	62.580
c) Furniture	3.496	3.609
d) Electronic equipment	5.326	5.586
e) Other	39.404	27.483
2. Rights of use acquired through leases	**23.686**	**23.293**
a) Land	-	-
b) Buildings	19.412	19.526
c) Furniture	-	-
d) Electronic equipment	-	67
e) Other	4.274	3.700
Total	**166.455**	**142.848**
of which: obtained by enforcing collateral	-	-

Property, plant and equipment for functional use come to 166,5 million Euro, as compared with the 142,8 million Euro booked at 31 December 2023, up 16,5%.

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

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

Assets/Amounts	31.12.2024				31.12.2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned	**210**	**-**	**-**	**210**	**407**	**-**	**-**	**407**
a) Land	-	-	-	-	-	-	-	-
b) Buildings	210	-	-	210	407	-	-	407
2. Rights of use acquired through leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Land	-	-	-	-	-	-	-	-
b) Buildings	-	-	-	-	-	-	-	-
Total	**210**	**-**	**-**	**210**	**407**	**-**	**-**	**407**
of which: obtained by enforcing collateral	-	-	-	-	-	-	-	-

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

9.3 Property, plant and equipment for functional use: breakdown of assets written back

In these Consolidated Financial Statements, there are no property, plant and equipment for functional use that are subject to revaluation.

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

In these Consolidated Financial Statements, there are no property, plant and equipment held for investment purposes measured at fair value.

9.5 Inventories of tangible assets covered by IAS 2: composition

In these Consolidated Financial Statements, there are no inventories of tangible assets within the meaning of IAS 2.

9.6 Property, plant and equipment for functional use: annual changes

	Land	Buildings	Furnishings	Electronic equipment	Other	Total 31.12.2024
A. Gross opening balance	**20.297**	**152.035**	**7.210**	**16.681**	**45.195**	**241.418**
A.1 Total net amortisation and impairment losses	-	(69.929)	(3.601)	(11.028)	(14.012)	**(98.570)**
A.2 Net opening balance	**20.297**	**82.106**	**3.609**	**5.653**	**31.183**	**142.848**
B. Increases	**-**	**16.154**	**670**	**2.284**	**17.496**	**36.604**
B.1 Purchases	-	15.839	669	2.023	14.689	33.220
B.2 Capitalised improvement expenses	-	-	-	-	2.751	2.751
B.3 Reversals of impairment losses	-	-	-	-	-	-
B.4 Fair value gains taken to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
B.5 Exchange gains	-	5	-	1	1	7
B.6 Transfers from investment property	-	-	X	X	X	-
B.7 Other changes	-	310	1	260	55	626
C. Decreases	**-**	**4.602**	**783**	**2.611**	**5.001**	**12.997**
C.1 Sales	-	143	-	-	43	186
C.2 Depreciation	-	4.367	783	2.590	4.458	12.198
C.3 Impairment losses taken to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.4 Fair value losses taken to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) Investment property	-	-	X	X	X	-
b) Non-current assets and disposal groups	-	-	-	-	-	-
C.7 Other changes	-	92	-	21	500	613
D. Net closing balance	**20.297**	**93.658**	**3.496**	**5.326**	**43.678**	**166.455**
D.1 Total net amortisation and impairment losses	-	(74.296)	(4.384)	(13.618)	(18.470)	(110.768)
D.2 Gross closing balance	**20.297**	**167.954**	**7.880**	**18.944**	**62.148**	**277.223**
E. Measurement at cost	-	-	-	-	-	-

Property, plant and equipment for functional use are measured at cost and are depreciated on a straight-line basis over their useful life, with the exclusion of land with an indefinite useful life, the Group’s artistic assets and the “Villa Fürstenberg” ("Villa Marocco") property, whose residual value at the end of its useful life is expected to be higher than its carrying amount.

Property, plant and equipment not yet brought into use at the reporting date are not depreciated.

9.7 Property, plant and equipment held for investment purpose: annual changes

	31.12.2024	
	Land	Buildings
A. Opening balance	**-**	**407**
B. Increases	**-**	**-**
B.1 Purchases	-	-
B.2 Capitalised improvement expenses	-	-
B.3 Fair value gains	-	-
B.4 Reversals of impairment losses	-	-
B.5 Exchange gains	-	-
B.6 Transfers from property for functional use	-	-
B.7 Other changes	-	-
C. Decreases	**-**	**197**
C.1 Sales	-	180
C.2 Depreciation	-	-
C.3 Fair value losses	-	-
C.4 Impairment losses	-	17
C.5 Exchange losses	-	-
C.6 Transfers to:	-	-
a) property for functional use	-	-
b) Non-current assets and disposal groups	-	-
C.7 Other changes	-	-
D. Closing balance	**-**	**210**
E. Measurement at fair value	-	210

9.8 Inventories of tangible assets covered by IAS 2: annual changes

In these Consolidated Financial Statements, there are no inventories of tangible assets within the meaning of IAS 2.

9.9 Commitments to purchase property, plant and equipment

There are no commitments to purchase property, plant and equipment.

Section 10 - Intangible assets - Item 100

10.1 Intangible assets: breakdown by asset type

Assets/Amounts	31.12.2024		31.12.2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**38.020**	**X**	**38.020**
A.1.1 attributable to the Group	X	38.020	X	38.020
A.1.2 attributable to non-controlling interests	X	-	X	-
A.2 Other intangible assets	**47.468**	-	**38.647**	**-**
of which: software	*47.468*	**-**	*38.647*	-
A.2.1 Assets measured at cost:	47.468	-	38.647	-
a) Internally generated intangible assets	2.748	-	1.326	-
b) Other assets	44.720	-	37.321	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**47.468**	**38.020**	**38.647**	**38.020**

Goodwill, amounting to 38,0 million Euro at 31 December 2024, relates to the business combination of the former Fbs Group, acquired during 2019. More details on this can be found in section "10.3 Other information" below.

Other intangible assets at 31 December 2024 refer mainly to software purchase and development, amortised on a straight-line basis over the estimated useful life, which is five years from deployment. The balance at the end of 2024 amounts to 47,5 million Euro, up from the balance of 38,6 million Euro at 31 December 2023 as a result of the investments made during the year.

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		FINITE	INDEF	FINITE	INDEF	
A. Opening balance	**39.482**	**1.478**	**-**	**104.019**	**-**	**144.979**
A.1 Total net amortisation and impairment losses	(1.462)	(153)	-	(66.697)	-	(68.312)
A.2 Net opening balance	**38.020**	**1.325**	**-**	**37.322**	**-**	**76.667**
B. Increases	**-**	**1.789**	**-**	**18.094**	**-**	**19.883**
B.1 Purchases	-	-	-	18.094	-	18.094
B.2 Increases in internally generated intangible assets	X	1.789	-	-	-	1.789
B.3 Reversals of impairment losses	X	-	-	-	-	-
B.4 Fair value gains	-	-	-	-	-	-
- to equity	X	-	-	-	-	-
- to profit or loss	X	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**366**	**-**	**10.696**	**-**	**11.062**
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses/reversals	-	366	-	10.696	-	11.062
- Amortisation	X	366	-	10.696	-	11.062
- Impairment losses:	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ profit or loss	-	-	-	-	-	-
C.3 Fair value losses:	-	-	-	-	-	-
- to equity	X	-	-	-	-	-
- to profit or loss	X	-	-	-	-	-
C.4 Transfer to non-current assets under disposal	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	**38.020**	**2.748**	**-**	**44.720**	**-**	**85.488**
D.1 Total net amortisation, impairment losses and reversals of impairment losses	(1.462)	(519)	-	(77.393)	-	(79.374)
E. Gross closing balance	**39.482**	**3.267**	**-**	**122.113**	**-**	**164.862**
F. Measurement at cost	-	-	-	-	-	-

Key:
FIN: finite useful life
INDEF: indefinite useful life

The increases in the year in terms of purchases and increases in internal intangible assets refer, respectively, to investments for the upgrading of computer systems and the related costs associated with internal activities for their development.

10.3 Other information

Information on goodwill

The application of accounting standard IFRS 3 in booking acquisitions may entail the entry of new intangible assets and the recording of goodwill.

In the case of the Banca Ifis Group, the specified acquisition of the former Fbs Group in 2019 entailed the recognition of goodwill in the amount of 38,0 million Euro, allocated to the Npl Segment at the Cash Generating Unit (CGU) level, which represents the business combination at whose level any impairment tests on goodwill must be performed to verify its recoverable amount. In line with the Group Policy, the CGUs have been identified with the operating Segments as defined in this information accompanying the Consolidated Financial Statements. The Npl Segment CGU associated with the goodwill of the former Fbs Group is the same as that adopted for the purpose of impairment testing the Group's goodwill at 31 December 2023.

In accordance with IAS 36, goodwill must be impairment tested at least annually, to check that the value can be recovered. The recoverable value is the greater of Value in Use (VIU) and fair value, net of the costs of sale.

Finally, please note that IAS 36, in order to determine the Value in Use of the intangibles subject to impairment testing, rules that reference must be made to the cash flows relative to the intangible in its current condition (at the date of impairment testing), without drawing any distinction between the cash flows referring to the asset originally noted during application of IFRS 3 and those relative to the assets in place at the time of impairment testing; this insofar as it would be difficult, particularly in the case of extraordinary transactions between businesses or changes to the asset following significant turnover of assets, customers, contracts, etc., to distinguish between the flows referring to the original asset and others.

Also, please note that the methods and assumptions underlying the goodwill impairment testing procedure and the related results defined by the management, were approved by the Board of Directors on 10 February 2025.

The impairment test

The definition of Cash Generating Units (CGUs)

The estimate of the Value in Use, in order to perform impairment testing, in accordance with IAS 36 of intangible assets with undefined life (including goodwill), which do not generate cash flow except jointly with other corporate assets, requires the preliminary attribution of such intangible assets to organisational units of relatively autonomous management, able to generate flows of financial resources that are largely independent of those produced by other business areas, but inter-dependent within the organisational unit that generates them. These organisational units are called “Cash Generating Units” (or “CGUs”).

The text of IAS 36 reveals the need to correlate the level at which goodwill is tested with the level of internal reporting at which the management controls the growth and reductions of said value. In these terms, the definition of said level is closely linked to the organisational models and the attribution of the management responsibilities in order to define operative guidelines and consequent monitoring. The organisational models can be regardless (and indeed in the case of the Banca Ifis Group are regardless) of the structure of the legal entities through which operations take place and, very often, are closely linked to the definition of the operating Segments that underlie the Segment reporting envisaged by IFRS 8. These considerations with reference to the criteria employed to determine the CGUs for impairment testing the goodwill are, moreover, consistent with the definition of the recoverable value of an asset - the determination of which underlies the impairment testing - according to which the amount is relevant that the company expects to recover from said asset, considering synergies with other assets.

Therefore, consistently with the logics of price formation that gave rise to the booking of goodwill, the recoverable value for the purpose of the impairment testing of the CGU to which goodwill is allocated, must include the valuation of not only external (or universal) synergies, but also internal synergies, which the specific buyer can obtain from the integration of the assets acquired in its economic combinations, evidently according to the defined business management models.

In view of the foregoing and in line with the Group Policy, the CGUs have been identified with the operating Segments as defined in the information accompanying the Consolidated Financial Statements.

It should be noted that during FY 2024, the Npl Segment CGU, the only CGU to which goodwill is allocated, did not undergo any significant changes in its composition. In particular, the merger of Revalea by incorporation into Ifis Npl Investing effective 1 January 2024 had no effect on the CGU, as both companies already belonged to the Npl Segment. For more details on this merger, refer to Part G "Business combinations" of these Notes to the Consolidated Financial Statements.

The carrying amount of the CGUs

The carrying amount of the CGUs must be determined consistently with the criterion whereby their recoverable value was estimated. For a bank, it is not possible to identify the flows generated by a CGU without considering the flows deriving from financial assets/liabilities, given that the latter represent its core business. In other words, the recoverable value of the CGU is impacted by said flows and, accordingly, their carrying amount must be determined consistently with the scope of estimate of the recoverable value and must, therefore, also include the financial assets/liabilities.

Taking this approach, the carrying amount of the CGU of the Banca Ifis Group can be determined in terms of contribution towards the consolidated equity, including any part attributable to minorities. In any case, under the scope of the combination of the former Fbs Group performed by Banca Ifis, resulting in the recording of goodwill, there is no share of goodwill attributable to minorities, because this has resulted in 100% control.

Therefore, the carrying amount of the CGUs comprising companies belonging to a single Segment has been determined through the sum of the individual equity contributions on a consolidated level.

The table below gives the carrying amount of the Npl Segment CGU and the portion of goodwill allocated to it before being subjected to annual impairment testing.

CARRYING AMOUNT AND GOODWILL ALLOCATED (in thousand Euro)	Amounts at 31.12.2024 (pre-impairment testing)		
	CGU carrying amount	*of which Group share of goodwill*	*of which goodwill attributable to minorities*
Npl Segment	524.993	*38.020*	-

Criterion for determining the recoverable amount

According to IAS 36, the amount of any impairment is determined by the difference between the carrying value of the CGU, identified on the basis of the criteria described above, and its recoverable amount, if lower. Recoverable amount is defined as the greater of:

- Value in Use (VIU) i.e. the present value of future cash flows expected to arise from the continued use of a specific asset or CGU;
- fair value less costs to sell, i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties.

For the Npl Segment CGU, the impairment test was conducted using the Value in Use as a reference.

The Value in Use is the current value of estimated future cash flows deriving from the continuous use of the assets and its disposal at the end of its useful life.

Cash flows comprise cash flows generated from the business in its current condition and cash flows deriving from budget forecasts, short-term forecasts and "Terminal Value" (TV), adjusted for the company's specific risks.

More specifically, IAS 36 requires cash flow forecasts based on reasonable, sustainable assumptions that are specific for CGUs, which reflect the value of the CGU in its current condition and represent the best estimate management can make in regard to all existing economic circumstances during the rest of the useful life of the CGU.

For the purpose of impairment testing, reference was made to the value in use estimated according to the valuation approach that can be identified with the method known in doctrine as "Discounted Cash Flow - DCF". The method estimates the Value in Use of an asset by discounting the forecast cash flows, determined according to economic-financial forecasts prepared by the management in respect of the asset valued.

In the case of banks and financial institutions in general, the available cash flow is understood as the distributable cash flow, taking into account the equity restrictions imposed by the Supervisory Authorities or held to be appropriate to monitor the risk typical of the asset analysed. As concerns the determination of the Value in Use of the CGU in question, the choice was made to apply the Excess Capital variant of the Dividend Discount Model ("DDM") valuation method. The method in question is one of the methods based on prospective cash flow, in this case represented by future dividends, recognised by most doctrine and standard practice, above all with reference to the companies or business units subject to compliance with the minimum regulatory capital requirements.

This method makes it possible to consider the current equity of the companies/business units valued, with respect to the supervisory requirements and their income prospects reflected in the forecasts. The flow of the last year of the analytical forecast is forecast perpetually through an appropriate long-term growth rate ("g"), in order to estimate the Terminal Value.

Future cash flows must be discounted at a rate that reflects the current valuations of the time value of money and specific risks of the business. More specifically, the discounting rates to be used must incorporate current market values with reference to the risk-free component (r_f) and risk premium correlated with the share component observed over a sufficiently extensive time frame to reflect market conditions and different economic cycles, and using an appropriate Beta (β) coefficient in consideration of the risk levels of the respective operating areas.

Cash flow forecasts

Forecast cash flow is understood as the distributable cash flow, taking into account the equity restrictions imposed by the Supervisory Authorities or held to be appropriate to monitor the risk typical of the asset analysed. Therefore, future cash flows can be identified as the flows that may potentially be distributed after having satisfied the minimum allocated capital restrictions. In the forecasts of available cash flows, consideration was given to maintaining a level of CET1 in line with the supervisory provisions, of 9,00%, i.e. minimum value envisaged by the last SREP received and relative to the Banca Ifis Group, including the target component, in view of greater exposure to risk in stress conditions. The consolidated SREP limit is considered insofar as higher thresholds are imposed internally in respect of a control context, envisaging alert and warning thresholds. The consolidated limit is respected as required by the Supervisory Body. Implicitly, this limit sets limits that exceed the regulatory minimums for the subsidiaries. The internal audits, with higher thresholds in RAF, prudently avoid any overrun.

Determination of the recoverable amount is hinged on the discounting of forecast cash flow and relates to 2025-2027 for the reference CGUs, as approved by the Parent Company's Board of Directors on 10 February 2025.

Under the scope of the financial matrix measurement criteria, as is that used to estimate the Value in Use, the value of a business at the end of the analytical flow forecasting period (the "Terminal Value") is generally determined by capitalising infinitely at an appropriate "g" rate, equal to 2,0%, the cash flow that can be achieved when "fully up and running".

Flow discounting rates

The Value in Use is estimated by discounting cash flows at a rate of 9,3% that considers the current market rates referring to both the time value component and the country risk component, as well as specific risks of the assets considered.

The discounting rate has been determined using the "Capital Asset Pricing Model" (CAPM). On the basis of this model, the discounting rate is determined as the sum of the returns on risk-free investments and a risk premium, in turn dependent on the specific risk level of the asset (thereby meaning both the risk level of the operating segment and the geographic risk level represented by the "country risk").

If we take a more detailed look at the various components that go towards determining the discounting rate, we note that:

- with reference to the risk free (r_f) component and the risk premium, it was decided, for the 2024 Financial Statements, to use:
  - the risk free rate (r_f) for the Npl Segment CGU is the point value of the gross yield of the Italian ten-year BTP (3,5%), measured on 30 December 2024;
  - as Equity Risk Premium (ERP) the Market Risk Premium figure ("average" figure of 6,2%) determined on the basis of the long-term yield differential between Italian equities and bonds (source: Fernandez 2024);
- the Beta coefficient (β), equal to 0,9, which measures the specific riskiness of the individual company or operating Segment, was determined using the average of the betas of comparable listed players with an observation period of 2 years and a weekly survey frequency.

Results of the impairment testing

The results of the impairment testing revealed that, at 31 December 2024, the Value in Use of the Npl Segment CGU easily exceeded the respective carrying amount. There was therefore no need to impair the related impairment-tested goodwill booked.

Sensitivity analyses

As the Value in Use is determined by using estimates and assumptions that may include elements of uncertainty, as required by IAS 36, sensitivity analyses have been performed to verify the sensitivity of the results obtained to changes in certain underlying parameters and hypotheses.

More specifically, for the Npl Segment CGU (the only CGU with goodwill allocated at 31 December 2024), the impact was verified on the Value in Use of a change in the "g" growth rate of +/-1,0% (with respect to the rate used of 2,0%) and a delta of the k_e within a range of between 7,5% and 11,1% (with respect to the rate used of 9,3%), keeping the other hypotheses unchanged. The table below shows the percentage changes in terms of Value in Use resulting from the above-mentioned changes in "g" and k_e rates. All the scenarios analysed do not show any cases of impairment.

Data in %		Changes in the cost of capital (k_e)				
		7,5%	8,4%	9,3%	10,2%	11,1%
Growth rate changes (g)	1,0%	13,2%	2,5%	(5,8)%	(12,5)%	(18,1)%
	1,5%	18,2%	6,2%	(3,1)%	(10,5)%	(16,4)%
	2,0%	24,2%	10,4%	0,0%	(8,1)%	(14,6)%
	2,5%	31,3%	15,3%	3,5%	(5,5)%	(12,6)%
	3,0%	40,0%	21,2%	7,7%	(2,4)%	(10,3)%

In addition, scenarios were analysed in which the recoverable value of the CGU was tested as Excess Capital against, instead of the CET1 Ratio requirement, the Tier 1 Ratio or Total Capital Ratio.

The sensitivity analyses performed did not reveal any situations of potential impairment loss.

Section 11 - Tax assets and liabilities - Item 110 of assets and Item 60 of liabilities

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 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 ACE realised during the adhesion period).

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

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

The receivable from La Scogliera for the tax consolidation, recorded under "Other assets", amounts to 25,0 million Euro, while the related payable, recorded under "Other liabilities" in these Consolidated financial statements, amounts to 29,1 million Euro at 31 December 2024, of which 20,8 million Euro accrued by the subsidiary Ifis Npl Investing. The net debt to La Scogliera for the tax consolidation amounts therefore to 4,1 million Euro.

11.1 Deferred tax assets: breakdown

The main types of deferred tax assets are set out below.

Deferred tax assets	31.12.2024	31.12.2023
With a counter entry in the profit and loss account	160.933	226.905
With a counter entry in equity	10.498	11.929
Total deferred tax assets	**171.431**	**238.834**

Deferred tax assets amount to 171,4 million Euro, down on the figure of 238,8 million Euro at 31 December 2023 and consist mainly of 85,1 million Euro of assets recognised for impairment losses on receivables due from customers, potentially convertible into tax credits in accordance with Italian Law No. 214/2011 (144,7 million Euro at 31 December 2023), 40,0 million Euro of assets recognised for prior tax losses and aid for economic growth ("ACE") benefit (41,1 million Euro at 31 December 2023) and 46,3 million Euro (53,1 million Euro at 31 December 2023) in tax misalignments mainly relating to financial assets measured at fair value through other comprehensive income (FVOCI).

In accordance with the rules set forth in IAS 12 and the ESMA communication of 15 July 2019, the Banca Ifis Group recognised Deferred Tax Assets (DTAs), after verifying that the amounts so recognised are supported by a probability opinion on their recoverability. For the purpose of expressing the aforementioned opinion, current tax provisions were taken into consideration, with particular reference to the rules for transforming certain deferred tax assets into tax credits, and the Group's ability to generate future taxable income also taking into account the "tax consolidation" option.

As for the qualified DTAs convertible into tax credits, amounting to 85,1 million Euro at 31 December 2024, the tax regulations introduced by Law 214/2011, together with the exercise of the annual fee regime option, make their recoverability certain. This treatment is in line with the rules contained in Bank of Italy/Consob/Isvap Document No. 5 of 15 May 2012 "Accounting treatment of deferred tax assets under Law No. 214/2011".

For the remaining tax assets (non-transformable DTAs), totalling 86,3 million Euro, the recognition and subsequent maintenance in the financial statements are strictly dependent on the ability of the Group and/or individual companies to generate future taxable income (referred to as "tax capability").

Details on the assumptions used for the probability test and their outcomes are given below.

Estimated future taxable income

Future taxable income was estimated based on Banca Ifis's most recent income projections.

In view of the current uncertain environment, the last available income without any growth assumptions was taken as a reference for long-term profitability.

Probability test results and sensitivity analysis

On the basis of the assessment carried out with the model described previously, out of the overall total of 171,4 million Euro, the 85,1 million Euro portion attributable to Law 214/2011 (equal to 49,6% of the total DTA) will be reversed by 2029 due to express regulatory provision. The portion referring to prior tax losses and ACE surpluses, totalling 40,0 million Euro (or 23,34% of the total DTA) should be fully recovered from 2025 to 2032 (of which approximately 31 million Euro by 2029). The remaining 46,3 million Euro refers mainly to financial assets measured at fair value through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve. In view of the uncertainty surrounding the recoverability of DTAs related to the past tax losses of the subsidiary Cap.Ital.Fin. realised mainly prior to joining the tax consolidation programme, it was prudently decided not to recognise them; the unrecognised DTAs total 2,8 million Euro.

11.2 Deferred tax liabilities: breakdown

The main types of deferred tax liabilities are shown below.

Deferred tax liabilities	31.12.2024	31.12.2023
With a counter entry in the profit and loss account	27.232	30.659
With a counter entry in equity	1.347	1.033
Total deferred tax liabilities	**28.579**	**31.692**

Deferred tax liabilities, amounting to 28,6 million Euro, are down 3,1 million Euro compared with the previous year's balance, mainly include 23,6 million Euro on receivables recognised for interest on arrears that will be taxed upon collection.

11.3 Changes in deferred tax assets (recognised through profit or loss)

	31.12.2024	31.12.2023
1. Opening balance	**226.905**	**243.794**
2. Increases	**37.720**	**58.466**
2.1 Deferred tax assets recognised in the year	37.720	44.231
a) relative to previous years	18	411
b) due to change in accounting standards	-	-
c) reversals of impairment losses	-	-
d) other	37.702	43.820
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	14.235
- *business combinations*	-	*14.235*
3. Decreases	**103.692**	**75.355**
3.1 Deferred tax assets reversed during the year	75.090	69.871
a) reversals	74.916	66.234
b) impairment losses due to unrecoverability	174	-
c) change in accounting standards	-	-
d) other	-	3.637
3.2 Reductions in tax rates	-	-
3.3 Other decreases	28.602	5.484
a) conversion into tax credits as per Italian Law No. 214/2011	28.602	5.366
b) other	-	118
4. Closing balance	**160.933**	**226.905**

Concerning the changes in deferred tax assets (recognised through profit or losses), please note that:

- decreases include transformed deferred tax assets in the amount of 28,6 million Euro (see section below "11.4 Changes in deferred tax assets pursuant to Law 214/2011");
- the deferred tax assets related to the taxable profit for the year were not included, as they were recognised under “Other assets” and “Other liabilities” respectively as a receivable and payable due from and to the tax consolidating company La Scogliera under current tax consolidation arrangements.

11.4 Changes in deferred tax assets pursuant to Law No. 214/2011

	31.12.2024	31.12.2023
1. Opening balance	**144.711**	**172.220**
2. Increases	**19**	**5.676**
- business combinations	*-*	*5.662*
3. Decreases	**59.615**	**33.185**
3.1 Reversals	31.013	27.819
3.2 Conversion in tax credits	28.602	5.366
a) deriving from losses for the year	11	7
b) deriving from tax losses	28.591	5.359
3.3 Other decreases	-	-
4. Closing balance	**85.115**	**144.711**

11.5 Changes in deferred tax liabilities (recognised through profit or loss)

	31.12.2024	31.12.2023
1. Opening balance	**30.659**	**29.218**
2. Increases	**26.318**	**3.031**
2.1 Deferred tax assets recognised in the year	26.318	716
a) relative to previous years	-	-
b) due to change in accounting standards	-	-
c) other	26.318	716
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	2.315
- business combinations	*-*	*2.315*
3. Decreases	**29.745**	**1.590**
3.1 Deferred tax liabilities reversed during the year	29.745	1.590
a) reversals	29.745	1.590
b) due to change in accounting standards	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**27.232**	**30.659**

11.6 Changes in deferred tax assets (recognised through equity)

	31.12.2024	31.12.2023
1. Opening balance	**11.929**	**20.463**
2. Increases	**1**	**3**
2.1 Deferred tax assets recognised in the year	1	3
a) relative to previous years	-	-
b) due to change in accounting standards	-	-
c) other	1	3
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1.432**	**8.537**
3.1 Deferred tax assets reversed during the year	1.432	8.535
a) reversals	1.432	8.535
b) impairment losses due to unrecoverability	-	-
c) due to change in accounting standards	-	-
d) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	2
4. Closing balance	**10.498**	**11.929**

11.7 Changes in deferred tax liabilities (recognised through equity)

	31.12.2024	31.12.2023
1. Opening balance	**1.033**	**1.119**
2. Increases	**314**	**1.911**
2.1 Deferred tax assets recognised in the year	314	1.911
a) relative to previous years	-	-
b) due to change in accounting standards	-	-
c) other	314	1.911
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**1.997**
3.1 Deferred tax liabilities reversed during the year	-	1.997
a) reversals	-	1.997
b) due to change in accounting standards	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**1.347**	**1.033**

11.8 Other information

Current tax assets

	31.12.2024	31.12.2023
IRAP (regional tax on productive activities)	15.014	14.657
IRES on sale of receivables	-	-
IRES for cases other than assignment of receivables	16.280	14.184
Credits from DTA conversion	8.554	15.651
Other	2.185	2.109
Total current tax assets	**42.033**	**46.601**

Current tax liabilities

	31.12.2024	31.12.2023
IRAP balance	16.969	17.524
IRES balance	6.376	8.501
Total current tax liabilities	**23.345**	**26.025**

Section 12 - Non-current assets and disposal groups and associated liabilities - Item 120

In these Consolidated Financial Statements, this item has no value.

Section 13 - Other assets - Item 130

13.1 Other assets: breakdown

	31.12.2024	31.12.2023
Tax receivables	181.070	223.791
of which tax credits for superbonus and other building tax bonuses	*163.000*	*208.748*
Accrued income and deferred expenses	68.464	59.828
Guarantee deposits	802	807
Debtors for invoices	13.519	19.690
Sundry receivables	57.881	68.020
of which: receivables from La Scogliera for tax consolidation	*24.990*	*32.162*
of which: other receivables	*32.891*	*35.858*
Miscellaneous provisional items	22.705	30.999
Portfolio of effects subject to collection	38.524	41.557
Total other assets	**382.965**	**444.692**

"Tax receivables" consist mainly of the portion deemed recoverable of tax credits for superbonus and other building tax bonuses (the "Ecobonus") for 163,0 million Euro, purchased in previous years, to which a nominal amount of 180,8 million Euro corresponds.

With specific reference to the above-mentioned tax credits for Super Ecobonus and other building tax bonuses recognised under "other assets" in the nominal amount of 180,8 million Euro at 31 December 2024, it should be noted that during the financial year there was an update of the associated regulations. Indeed, with the approval of Decree Law 39/2024 converted with amendments by Law No. 67 of 23 May 2024 (in the Official Journal of 28 May 2024, No. 123), some important innovations were introduced on the subject of building bonus credits.

In particular, as far as the banking sector is concerned, it was stipulated that:

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

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

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

“Sundry items” include 25,0 million Euro in credits due to the parent company La Scogliera S.A. under the Group’s 2024 tax consolidation agreements (32,1 million Euro at 31 December 2023).

LIABILITIES

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

1.1 Financial liabilities at amortised cost: breakdown of payables due to banks by type

Type of transaction/Amounts	31.12.2024				31.12.2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Payables due to Central banks	**419.316**	**X**	**X**	**X**	**1.577.875**	**X**	**X**	**X**
2. Payables due to banks	**1.023.934**	**X**	**X**	**X**	**1.139.264**	**X**	**X**	**X**
2.1 Current accounts and on demand deposits	7.388	X	X	X	19	X	X	X
2.2 Term deposits	91.222	X	X	X	117.309	X	X	X
2.3 Loans	919.144	X	X	X	1.012.077	X	X	X
2.3.1 Repurchase agreements	630.539	X	X	X	715.313	X	X	X
2.3.2 Other	288.605	X	X	X	296.764	X	X	X
2.4 Debt from buyback commitments on treasury equity instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other payables	6.180	X	X	X	9.859	X	X	X
Total	**1.443.250**	**-**	**-**	**1.443.250**	**2.717.139**	**-**	**-**	**2.717.139**

Key:
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Payables due to banks come to 1.443,3 million Euro, down 46,9% compared to the end-of-December 2023 figure, mainly as a result of the full repayment of the TLTRO III lines in 2024 totalling a nominal 1,5 billion Euro (a repayment of a tranche for a nominal 750 million Euro in the first half, a partial repayment of a nominal 375 million Euro at the end of June 2024 and the repayment of the residual nominal amount of 411,5 million Euro at the final maturity of September 2024), partially offset by the subscription of a MRO transaction in December 2024 for 400 million Euro maturing on 8 January 2025, and a reduction in repurchase agreements payable to banks of 84,8 million Euro. As a result of Decision ECB/2022/37 of 27 October 2022 for FY 2024, the fees were determined on the basis of the rate provided for as of the aforementioned decision.

The fair value of payables due to banks is in line with the relevant carrying amount, considering the counterparty and the fact that interbank deposits are short- or very short-term.

1.2 Financial liabilities measured at amortised cost: breakdown of payables due to customers by type

Type of transaction/Amounts	31.12.2024				31.12.2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and on demand deposits	970.892	X	X	X	1.147.597	X	X	X
2. Term deposits	4.748.399	X	X	X	4.139.143	X	X	X
3. Loans	1.249.556	X	X	X	493.791	X	X	X
3.1 Repurchase agreements	1.045.734	X	X	X	346.317	X	X	X
3.2 Other	203.822	X	X	X	147.474	X	X	X
4. Debt from buyback commitments on treasury equity instruments	-	X	X	X	-	X	X	X
5. Lease payables	23.525	X	X	X	22.702	X	X	X
6. Other payables	9.391	X	X	X	11.391	X	X	X
Total	**7.001.763**	**-**	**-**	**6.829.046**	**5.814.624**	**-**	**-**	**6.156.150**

Key:
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Payables due to customers at 31 December 2024 total 7,0 billion Euro, up 20,4% compared to 31 December 2023. Growth was driven by repurchase agreements with customers, which amount to 1.045,7 million Euro (+699,4 million Euro compared to the balance at the end of 2023) and retail funding, which amounts to 4,8 billion Euro at the end of 2024 (+7,0% compared to 31 December 2023).

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

Type of securities/Amounts	31.12.2024				31.12.2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. Bonds	3.152.700	1.455.245	112.439	1.645.386	3.288.839	1.329.813	104.630	1.853.042
1.1 structured bonds	-	-	-	-	-	-	-	-
1.2 other bonds	3.152.700	1.455.245	112.439	1.645.386	3.288.839	1.329.813	104.630	1.853.042
2. Other securities	37	-	-	37	56	-	-	56
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	37	-	-	37	56	-	-	56
Total	**3.152.737**	**1.455.245**	**112.439**	**1.645.423**	**3.288.895**	**1.329.813**	**104.630**	**1.853.098**

Key:
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Debt securities issued amount to 3,2 billion Euro at 31 December 2024, down by 136,2 million Euro (-4,1%) following the year dynamics, characterized by the issue in February 2024 of a senior bond worth a nominal amount of 400 million Euro and having a term of 5 years (for more details, please refer to the section “Significant events occurred in the year” of the Directors' report on the Group), which has essentially replaced the Senior Preferred bond worth a nominal 400 million Euro issued in 2020 and which reached maturity on 25 June 2024, and the normal amortisation of the Group's securitisation securities (-207,7 million Euro compared to December 2023). Debt securities issued at 31 December 2024 consist of:

- securities issued by the SPV ABCP Programme for 976,6 million Euro relating to the senior tranche. It should be noted that at the end of June 2024, the restructuring of this securitisation, involving proprietary factoring receivables, was completed (for more details, please refer to the section "Significant events occurred in the year" of the Group's Report on Operations and to "Part E - Information on risks and related hedging policies", "Section 2 - Risks of the Prudential Consolidation", paragraph "1.1 Credit risk", sub-section "C. Securitisation transactions" of these Notes to the Consolidated Financial Statements);
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 268,6 million Euro relating to the senior tranche;
- 373,0 million Euro for a subordinate loan, in line with 31 December 2023;
- 4 senior bonds issued by Banca Ifis in the total amount of 1,1 billion Euro, up on the end-December 2023 figure (+6,7%) for the above-mentioned February 2024 issue of the senior bond of 400 million Euro, which more than offset the year’s collections on other bonds.

1.4 Breakdown of subordinated debts/securities

The line item "Debt securities issued" includes 373,0 million Euro in subordinated notes related to Euro Tier 2 bond issued in mid-October 2017 for a nominal amount of 400 million Euro.

1.5 Breakdown of structured debts

There are no structured debts in these Consolidated Financial Statements.

1.6 Lease payables

The lease payables relate for 21,2 million Euro to lease contracts of properties and cars coming under the scope of application of accounting standard IFRS 16, which came into force at 1 January 2019 and as more extensively described in “Part M - Leasing disclosure” of these Consolidated Financial Statements.

They also include 2,4 million Euro for the real estate lease the former company Toscana Finanza S.p.A. entered into in 2009 for the property located in Florence, which housed the headquarters of the Npl Segment until August 2016. The term of the lease entered into with Centro Leasing S.p.A. is 18 years (from March 2009 to March 2027) and provides for the payment of 216 monthly instalments of about 28 thousand Euro, including the principal, interest and an option to buy the asset at the end of the lease for 1,9 million Euro. At the date of this document, the property is used as an additional operational headquarters of Banca Ifis.

The rate applied to lease payables expresses the Group's average cost of funding taking into account the creditworthiness of the lessee and the economic environment in which the transaction takes place, in line with the requirements of IFRS 16.

Section 2 - Financial liabilities held for trading - item 20

2.1 Financial liabilities held for trading: breakdown by type

Type of transaction/Amounts	31.12.2024					31.12.2023				
	NA	Fair value			Fair value*	NA	Fair value			Fair value*
		L1	L2	L3			L1	L2	L3	
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Payables due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial derivatives	X	-	13.765	-	X	X	-	14.005	-	X
1.1 For trading	X	-	13.765	-	X	X	-	14.005	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 For trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**-**	**13.765**	**-**	**X**	**X**	**-**	**14.005**	**-**	**X**
Total (A+B)	**X**	**-**	**13.765**	**-**	**X**	**X**	**-**	**14.005**	**-**	**X**

Key:
NA = Nominal or notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair value = Fair value calculated excluding changes in value due to changes in the issuer's creditworthiness compared to the date of issuance*

With regard to Level 2 trading liabilities, see the comments in "Section 2 - Financial assets measured at fair value through profit or loss - Item 20" of Assets.

2.2 Details of “Financial liabilities held for trading”: subordinated liabilities

There are no subordinated liabilities recognised in the item of this section.

2.3 Details of “Financial liabilities held for trading”: structured debts

There are no structured debts recorded in the item of this section.

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

In these Consolidated Financial Statements, this item has no value.

Section 4 - Hedging derivatives - Item 40

4.1 Hedging derivatives: breakdown by hedge type and levels

	Fair value 31.12.2024			NA 31.12.2024	Fair value 31.12.2023			NA 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**-**	**14.868**	**-**	**389.381**	**-**	**11.644**	**-**	**355.700**
1) Fair value	-	14.868	-	389.381	-	11.644	-	355.700
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**14.868**	**-**	**389.381**	**-**	**11.644**	**-**	**355.700**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

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 14,9 million Euro at 31 December 2024, down from the balance of 11,6 million Euro at 31 December 2023.

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

Transactions/Hedge type	Fair value							Cash flows		Foreign investments
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equity securities and stock indexes	currencies and gold	loans and receivables	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	-	1.623	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	13.245	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**13.245**	**1.623**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 5 - Value adjustment of financial liabilities designated as generically hedged - Item 50

In these Consolidated Financial Statements, this item has no value.

Section 6 - Tax liabilities - Item 60

Current tax liabilities, amounting to 23,3 million Euro (26,0 million Euro as of 31 December 2023), represent the tax burden for the year for the companies that do not participate in the tax consolidation (Banca Credifarma and the foreign subsidiaries) and for taxes, in any case, not payable within the tax consolidation (IRAP and IRES surtax). The tax burden relating to the settlement of the tax consolidation is instead represented in the balance sheet items "Other assets" and "Other liabilities" as a receivable from and payable to La Scogliera S.A., respectively, with a net negative exposure of 4,1 million Euro (29,1 million Euro in payables partly offset by 25,0 million Euro in payables). Deferred tax liabilities, amounting to 28,6 million Euro, are better described in "Section 11 - Tax assets and liabilities - Item 110 of assets and Item 60 of liabilities" of the Assets to which reference is made.

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

In these Consolidated Financial Statements, this item has no value.

Section 8 - Other liabilities - Item 80

8.1 Other liabilities: breakdown

	31.12.2024	31.12.2023
Payables due to suppliers	105.240	133.138
Payables due to personnel	26.050	26.659
Payables due to the Tax Office and Social Security agencies	32.162	27.346
Sums available to customers	15.350	25.193
Accrued liabilities and deferred income	4.940	4.670
Other items	115.571	130.321
of which: payables to La Scogliera for tax consolidation	*29.116*	*31.217*
of which: other payables	*86.455*	*99.104*
Miscellaneous provisional items	40.064	40.227
Total other liabilities	**339.377**	**387.554**

“Other items” include 29,1 million Euro for a payable due to La Scogliera S.A. deriving from the application of the tax consolidation (31,2 million Euro at 31 December 2023).

Section 9 - Post-employment benefits - Item 90

9.1 Post-employment benefits: annual changes

	31.12.2024	31.12.2023
A. Opening balance	**7.906**	**7.696**
B. Increases	**1.670**	**1.889**
B.1 Provisions for the year	1.599	1.549
B.2 Other changes	71	340
- *business combinations*	-	*199*
C. Decreases	**2.007**	**1.679**
C.1 Payments made	312	465
C.2 Other changes	1.695	1.214
D. Closing balance	**7.569**	**7.906**

Payments made represent the portions liquidated to employees during the year.

Other decreases include the impact of the discounting of benefits earned up to 31 December 2006 and still held in the company, which, based on the changes introduced by the new IAS 19, are recognised through valuation reserves entered as equity.

9.2 Other information

Under IAS/IFRS standards, a company's liabilities regarding benefits that will be paid to employees at the conclusion of the employer/employee relationship (post-employment benefits) should be recognised based on actuarial calculations of the amount that will be paid at maturity.

Specifically, these allocations must take into account the amount already earned over the period at the reporting date, projecting it into the future in order to calculate the amount that will be paid at the conclusion of the employer/employee relationship. This amount must then be discounted to take into account the time that will pass until payment.

Following the coming into force of the 2007 Budget Law, which brought the reform regarding supplementary pension plans - as per Italian Legislative Decree No. 252 of 5 December 2005 - forward to 1 January 2007, the employee was given a choice as to whether to allocate the post-employment benefits (severance indemnity) earned as from 1 January 2007 to supplementary pension funds or to maintain them in the company, which would then transfer it to a dedicated fund managed by INPS (the Italian National Social Security Institute).

This reform has led to changes in the accounting of post-employment benefits (severance indemnity) as for both the benefits earned up to 31 December 2006 and those earned from 1 January 2007.

In particular:

- post-employment benefits (severance indemnity) earned as from 1 January 2007 constitute a "defined-contribution plan", regardless of whether the employee has chosen to allocate them to a supplementary pension fund or to INPS's Treasury Fund. Those benefits shall be calculated according to contributions due without applying actuarial methods;
- the severance indemnity earned up to 31 December 2006 continues to be considered as a "defined-benefit plan", and as such is calculated on an actuarial basis which, however, unlike the calculation method applied until 31 December 2006, no longer requires that the benefits be proportionally attributed to the period of service rendered. This is because the employee's service is considered entirely accrued due to the change in the accounting nature of benefits earned as from 1 January 2007.

The actuarial valuation of the severance indemnity was conducted with the support of an independent external actuary, based on the "accrued benefits" methodology using the "Projected Unit Credit" criterion, as required by

IAS 19. The following table shows the main demographic, economic and financial assumptions on which the valuation at 31 December 2024 is based compared to the valuation at 31 December 2023.

Main actuarial assumptions for the valuation of the severance indemnity ("TFR")	
Demographic assumptions (2024-2023):	
Employee mortality rate	From Istat table resident population
Probability of the request for advance payment of severance indemnity	1,3%
Measure required in the case of severance indemnity advance	70,0%
Frequency of turnover	1,3%
Financial assumptions (2024-2023):	
Annual discount rate	3,3%
Annual inflation rate	2,0%

The update of the actuarial assumptions for the valuation of the severance indemnity at 31 December 2024, compared to the previous year, resulted in an overall decrease in the provision for severance indemnity of 0,3 million Euro, equal to the combined effect of the following elements:

- changes in financial assumptions, for an overall positive net effect of 0,2 million Euro;
- changes in other actuarial assumptions, for an overall negative net effect of 0,1 million Euro.

With regard to the discount rate of 3,3%, which is one of the most important assumptions used in the measurement of defined benefit plan obligations, reference was made to an average rate calculated on the basis of the duration of the settlements and using reference indices on corporate bonds in euro currency and with a maturity > 6 years as benchmarks.

In fact, IAS 19 requires that this rate should reflect the time value of money, but not the entity-specific credit risk, actuarial or investment risk, and the risk that the actual data experienced may differ in the future from the actuarial assumptions used. The standard further specifies that this rate shall be determined by reference to market yields, at the end of the reporting period, of securities of primary corporations of the country in which the entity operates (referred to as the "High Quality Corporate Bond yield") and, alternatively, in the absence of a market for such securities, by reference to market yields of government securities.

Sensitivity analyses

As required by IAS 19, a sensitivity analysis of the severance pay obligation was conducted assuming an increase or decrease in the discount rate and inflation rate of 50 basis points. The analysis is intended to show how much the balance sheet liability would vary in relation to reasonably possible fluctuations in these actuarial assumptions.

The results of the sensitivity analysis, in terms of absolute and percentage changes in the consolidated severance indemnity liability, are shown in the table below.

	Change in severance indemnity ("TFR") in absolute terms (in thousands of Euro)	Change in severance indemnity ("TFR") in percentage terms
Modification of actuarial assumptions:		
Discounting rate		
+ 0,5%	(357,5)	(4,7)%
- 0,5%	374,9	5,0%
Inflation rate		
+ 0,5%	221,9	2,9%
- 0,5%	(218,0)	(2,9)%

Section 10 - Provision for risks and charges - Item 100

10.1 Provisions for risks and charges: breakdown

Items/Components	31.12.2024	31.12.2023
1. Provisions for credit risk related to commitments and financial guarantees granted	5.222	5.374
2. Provisions on other commitments and financial guarantees granted	337	-
3. Provisions for pensions	231	196
4. Other provisions for risks and charges	46.549	52.608
4.1 legal and tax disputes	*28.337*	*43.029*
4.2 personnel expenses	*1.931*	*2.592*
4.3 other	*16.281*	*6.987*
Total	**52.339**	**58.178**

At 31 December 2024, total provisions for risks and charges amount to 52,3 million Euro, down 5,8 million Euro on the previous year.

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and financial guarantees granted	Provisions for pensions	Other provisions for risks and charges	Total 31.12.2024
A. Opening balance	**-**	**196**	**52.608**	**52.804**
B. Increases	**337**	**99**	**15.266**	**15.702**
B.1 Provisions for the year	337	91	15.263	**15.691**
B.2 Changes due to the passage of time	-	8	-	**8**
B.3 Changes due to changes in the discount rate	-	-	-	**-**
B.4 Other changes	-	-	3	**3**
C. Decreases	**-**	**64**	**21.325**	**21.389**
C.1 Used in the year	-	-	2.643	**2.643**
C.2 Changes due to changes in the discount rate	-	8	-	**8**
C.3 Other changes	-	56	18.682	**18.738**
D. Closing balance	**337**	**231**	**46.549**	**47.117**

10.3 Provisions for credit risk related to commitments and financial guarantees granted

	Provisions for credit risk related to commitments and financial guarantees granted				
	Stage 1	Stage 2	Stage 3	Purchased and/or originated impaired	Total
Loan commitments	1.873	489	1	-	**2.363**
Guarantees granted	486	7	2.366	-	**2.859**
Total	**2.359**	**496**	**2.367**	**-**	**5.222**

At 31 December 2024, this item amounts to 5,2 million Euro, reflecting the impairment losses on irrevocable commitments to disburse funds and financial guarantees granted by the Group.

10.4 Provisions on other commitments and other guarantees given

At 31 December 2024, this item has a balance of 337 thousand Euro. For more details on the changes during the year, please refer to the sections above.

10.5 Defined-benefit corporate pension funds

1. Illustration of fund characteristics and related risks

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

Specifically, the Banca Ifis Group has provided, for all Group managerial staff, insurance cover for the reimbursement of medical expenses (RSMO) valid and effective until the age of 85. This cover is therefore in continuity with the cover in place during employment, even after retirement. The only condition for access is the termination of employment with the Parent Company or other Group companies due to retirement. The policy premium will be borne by the Bank with an annual contribution from the retired manager. Therefore, the Group is responsible for the costs and risks associated with the provision of such benefits.

2. Changes in net defined benefit liabilities (assets) and redemption rights during the year

The opening balance as at January 2024 of the net defined benefit liabilities was 196 thousand Euro. As at 31 December 2024, mainly as a result of accruals for the year, this provision increased to 231 thousand Euro.

3. Disclosure of fair value of plan assets

There is no information to be reported in this paragraph.

4. Description of the main actuarial assumptions

For 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 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.

The main actuarial assumptions adopted are as follows:

- discount rate of 3,4%, calculated as an average rate on the basis of the duration of the liquidations and using reference indices on corporate bonds in euro currency and with maturity > 10 years as benchmarks;
- premium inflation rate of 2,3%;
- annual turnover rate of 2,0%;
- frequency of “waiver” (non-payment of the premium component of pensioners) of 2,0%.

5. Information on amount, timing and uncertainty of cash flows

Given that the healthcare benefits are provided through a policy and that they constitute a benefit for the recipients until they reach the age of 85, the obligation subject to discounting under IAS 19 is that relating to the period in retirement and up to the age of 85.

A sensitivity analysis was also conducted on these net defined benefit liabilities, analysing what the amount of the net liabilities would be in the event of:

- a change in the discount rate of +/- 0,5% (50 bps);
- a change in the growth rate of payments to the insurance company of +/- 0,5% (50 bps);
- a change in the inflation rate of +/- 0,5% (50 bps);
- a change in the wage growth rate of +/- 0,5% (50 bps);
- a change in retirement age of +/- 1 year;
- a change in average longevity of +/- 1 year.

The maximum and minimum values of the net defined-benefit liabilities at 31 December 2024 resulting from the aforementioned sensitivities are 266 thousand Euro and 199 thousand Euro, respectively.

6. Multi-employer plans

There is no information to be reported in this paragraph.

7. Defined benefit plans that share risks between entities under common control

There is no information to be reported in this paragraph.

10.6 Provisions for risks and charges - Other provisions

Legal and tax disputes

At 31 December 2024, provisions are entered for legal and tax disputes for a total of 28,3 million Euro, a reduction on the 43,0 million Euro recorded at 31 December 2023. These provisions refer to legal and tax disputes in respect of which the Group is deemed to have a present obligation that may lead to the use of financial resources. Information on the amount of the allocation to the provisions for risks and charges is not provided by individual dispute but by type, both in consideration of the number of disputes and in order to avoid prejudicing the Group in the evolution of the dispute with the counterparty, either through legal proceedings or settlements.

The 14,7 million Euro decrease in the item is mainly attributable to releases related to disputes related to the former Aigis Banca (for 5,8 million Euro), to the positive resolution of a dispute related to the former Interbanca (for 3,3 million Euro), and to net releases attributable to the subsidiary Ifis Npl Investing for 2,2 million Euro. During the course of the year, 99 lawsuits were closed, whose provision set aside at the beginning of the year amounted to 15,1 million Euro, and 87 new lawsuits were opened, whose provision for risks and charges as at 31 December 2024 amounted to 3,9 million Euro.

Personnel expenses

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

Other provisions for risks and charges

At 31 December 2024, there are "Other provisions" of 16,3 million Euro, up from the figure at 31 December 2023 (+10,0 million Euro), mainly as a result of allocations to cover risks related to outstanding disputes over tax credits for Superbonus and other building tax bonuses, in respect of which the provision made at 31 December 2024 is 7,5 million Euro. The item also includes 3,4 million Euro for Supplementary Customer Indemnity in connection with the Leasing Area's operations, 3,1 million Euro for the provision for risks linked to assignments and 0,4 million Euro for the provision for complaints.

Contingent liabilities

The most significant contingent liabilities within the meaning of IAS 37 existing at 31 December 2024, the negative outcome of which is deemed not probable by the Group and its legal advisors, although possible, are detailed below. Such disclosures are not provided with respect to situations where the likelihood of deploying resources capable of producing economic benefits is remote.

The total amount sought with these contingent liabilities comes to 490,6 million Euro as of 31 December 2024 (of which 13,1 million Euro related to tax disputes), the main developments of which are detailed below.

Litigation related to insolvency proceedings

During 2022, Banca Ifis was sued by the bodies of two bankruptcy proceedings, which requested that it be ordered to pay 389,3 million Euro in one case and 47,7 million Euro in the other, as compensation for damages for the unlawful forbearance in its capacity as lender, albeit marginal, of the companies now in proceedings. The first claim was made jointly and severally with 23 other institutions, while the second claim was made jointly and severally with 8 other institutions. The first hearings are scheduled to start at the end of the first half of 2025.

Tax dispute concerning the assumed "permanent establishment" in Italy of the Polish company Ifis Finance Sp. z o.o.

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

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

For 2013-2014-2015, both the Court of First Instance and the Court of Taxation of Second Instance fully upheld the arguments of Banca Ifis, rejecting the Revenue Agency's objections. In the course of 2024, the appeal was notified by the Attorney General’s Office before the Court of Cassation.

For the years 2016 and 2017, the Court of First Instance fully upheld the Parent Company, Banca Ifis's appeal. In the course of 2024, the Revenue Agency filed an appeal with the Veneto Court of Second Instance Tax Court.

Tax litigation regarding value added tax (VAT)

Two Notices of Assessment were served for the years 2017 and 2018 in which the Revenue Agency accused the Parent Company Banca Ifis of failing to make payment of VAT on transactions carried out in favour of so-called habitual exporters following the telematic presentation, by the same, of letters of intent.

Both deeds were challenged within the time limits provided for by the legislation, and at the same time one third of the tax was paid pending judgement.

Outline of the Assessment Notice - Super-amortisation of the subsidiary Ifis Rental Services

It should be noted how, during 2024, following a tax audit for 2018 on the subsidiary Ifis Rental Services concerning the correct application of the "Super-amortisation" facility (art. 1, paragraphs 91 *et. seq.* L. 208/2015), the Revenue Agency notified the same of a Notice of Assessment with which the use of the tax benefit was contested for an amount of 4,7 million Euro, plus penalties and interest as provided by law.

Ifis Rental Services, pending the notice of assessment that will be issued in the course of 2025 and following discussions and in-depth investigations carried out with its tax advisors, considers its actions to be correct for reasons of merit and law, reserving the right, therefore, to defend itself in the appropriate venues and in the manner and within the time limits set forth by law, once it has received the contested notice.

Section 11 - Insurance liabilities - Item 110

In these Consolidated Financial Statements, this item has no value.

Section 12 - Redeemable shares - Item 130

In these Consolidated Financial Statements, this item has no value.

Section 13 - Group Equity - Items 120, 130, 140, 150, 160, 170 and 180

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

Item		31.12.2024	31.12.2023
170	Share capital (in thousands of Euro)	53.811	53.811
	Number of ordinary shares	53.811.095	53.811.095
	Nominal amount of ordinary shares	1 euro	1 euro
180	Treasury shares (in thousands of Euro)	(20.971)	(21.817)
	Number of treasury shares	1.238.886	1.343.018

13.2 Share capital - number of Parent Company shares: annual changes

Items/Types	Ordinary	Other
A. Shares held at the beginning of the year	**53.811.095**	**-**
- fully paid-up	53.811.095	-
- not fully paid-up	-	-
A.1 Treasury shares (-)	(1.343.018)	-
A.2 Outstanding shares: opening balance	**52.468.077**	**-**
B. Increases	**104.132**	**-**
B.1 New issues	-	-
- paid:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free:	-	-
- in favour of employees	-	-
- in favour of directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	104.132	-
C. Decreases	**-**	**-**
C.1 Annulments	-	-
C.2 Buybacks of treasury shares	-	-
C.3 Company sell-offs	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balance	**52.572.209**	**-**
D.1 Treasury shares (+)	1.238.886	-
D.2 Shares held at the end of the year	53.811.095	-
- fully paid-up	53.811.095	-
- not fully paid-up	-	-

Other increases in the number of shares refer to the allocation of shares during the year as part of remuneration mechanisms for the Banca Ifis Group's Top Management, which were included in treasury shares at the start of the year. For further details, please refer to the specific paragraph in 'Section 1 - Consolidated equity' of 'Part F - Information on consolidated equity' of these Consolidated Financial Statements.

13.3 Share capital: other information

The share capital is composed of 53.811.095 ordinary shares with a nominal value of 1 Euro each, bearing no rights, liens and obligations, including those relating to dividend distribution and capital redemption.

13.4 Profit reserves: other information

Items/Components	31.12.2024	31.12.2023
Banca Ifis legal reserve	10.762	10.762
Banca Ifis extraordinary reserve	523.729	514.469
Buyback reserve	20.971	20.971
Other profit reserves	975.334	946.444
Total profit reserves	**1.530.796**	**1.492.646**
Stock option reserve	2.213	2.058
Other reserves, not “profit reserves”	10.720	10.720
Total item 150 Reserves	**1.543.729**	**1.505.424**

Pursuant to Article 1, paragraph 147 of the 2014 Stability Law (Italian Law No. 147 of 27 December 2013) and Article 1, paragraph 704 of the 2020 Budget Law (Italian Law No. 160 of 27 December 2019), the Banca Ifis Group has realigned the spread between the statutory value and tax value on certain properties. The amount corresponding to the higher values following the realignment, net of the substitute tax, generated a 15,3 million Euro untaxed reserve.

In addition, following the 2017 merger of Interbanca S.p.A. into Banca Ifis S.p.A., in accordance with Article 172 paragraph 5 of the Consolidated Law on Income Tax, the surviving entity restored the merging entity's deferred tax reserves as follows:

- 4,6 million Euro special reserve as per Article 15 paragraph 10 of Italian Law No. 516 of 07/08/1982;
- 2,3 million Euro revaluation reserve as per Italian Law No. 408/90.

Finally, there are an additional 20,7 million Euro in deferred tax reserves recognised by Banca Ifis and arising from the merger of Interbanca, in accordance with the following laws: No. 576/75, No. 83/72 and No. 408/90, that had been previously recognised as share capital of the latter.

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

The aforementioned types of reserves are all included in the sub-item "Other revenue reserves" in the table above.

The item "Banca Ifis extraordinary reserve" shows an increase of 9,3 million Euro corresponding to the portion of the profit of the parent company, Banca Ifis, of 31 December 2023 allocated to reserves.

13.5 Equity instruments: breakdown and annual changes

The Banca Ifis Group does not hold any equity instruments.

13.6 Other information

With reference to valuation reserves, please refer to the details in “Part F - Information on consolidated equity”.

Section 14 - Equity attributable to non-controlling interests - Item 190

14.1 Breakdown of Item 210 "Equity attributable to non-controlling interests"

Company name	31.12.2024	31.12.2023
Equity investments in consolidated companies with significant minority interests	15.834	14.238
1. Banca Credifarma S.p.A.	15.834	14.238
Other equity investments	2	2
Total	**15.836**	**14.240**

14.2 Equity instruments: breakdown and annual changes

There are no equity instruments.

Other information

1. Commitments and financial guarantees granted

	Nominal amount of commitments and financial guarantees granted				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3	Purchased and/or originated impaired		
1. Loan commitments	**1.092.647**	**42.006**	**17.638**	**-**	**1.152.291**	**1.151.498**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	-	-	-	-	-	1
c) Banks	14.798	-	-	-	14.798	235
d) Other financial companies	174.943	35	2.616	-	177.594	140.065
e) Non-financial companies	762.025	35.545	12.801	-	810.371	836.149
f) Households	140.881	6.426	2.221	-	149.528	175.048
2. Guarantees granted	**103.320**	**15.004**	**5.709**	**-**	**124.033**	**215.652**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	-	-	-	-	-	-
c) Banks	-	-	-	-	-	19
d) Other financial companies	35	-	-	-	35	4.815
e) Non-financial companies	101.493	14.971	5.616	-	122.080	207.957
f) Households	1.792	33	93	-	1.918	2.861

2. Other commitments and guarantees granted

	Nominal amount	
	31.12.2024	31.12.2023
Other guarantees granted	**42.922**	**32.688**
of which: non-performing loans	*1.683*	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	42.922	32.688
f) Households	-	-
Other commitments	**68.536**	**56.930**
of which: non-performing loans	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	65.536	53.011
e) Non-financial companies	3.000	3.919
f) Households	-	-

3. Assets used as collateral for own liabilities and commitments

Portfolios	31.12.2024	31.12.2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	168.604	513.461
3. Financial assets measured at amortised cost	2.187.792	2.793.189
4. Property, plant and equipment	-	-
of which: property, plant and equipment qualifying as inventories	-	-

Financial assets measured at fair value through other comprehensive income, just like financial assets measured at amortised cost, refer mainly to Government securities guaranteeing loans on the Eurosystem.

The rest of the financial assets measured at amortised cost refer to bank deposits backing derivative transactions.

4. Breakdown of investments against unit-linked and index-linked policies

In these Consolidated Financial Statements, this item has no value.

5. Administration and mediation on behalf of third parties

Type of services	Amount
1. Execution of orders on behalf of clients	
a) purchases	-
1. settled	-
2. unsettled	-
b) sales	-
1. settled	-
2. unsettled	-
2. Portfolio management	
a) individual	-
b) collective	-
3. Safekeeping and administration of securities	
a) third party securities in custody: associated with depositary bank services (excluding portfolio management)	-
1. securities issued by consolidated companies	-
2. other securities	-
b) other third party securities in custody (excluding portfolio management): other	465.072
1. securities issued by consolidated companies	388
2. other securities	464.684
c) third party securities held with third parties	381.778
d) own securities held with third parties	4.705.822
4. Other transactions	**-**

6. Financial assets subject to on-balance sheet netting, or subject to master netting agreements or similar arrangements

In these Consolidated Financial Statements, this item has no value.

7. Financial liabilities subject to on-balance sheet netting, or subject to master netting agreements or similar arrangements

In these Consolidated Financial Statements, this item has no value.

8. Securities lending transactions

In these Consolidated Financial Statements, this item has no value.

9. Disclosure of joint operations

In these Consolidated Financial Statements, this item has no value.

Part C - Information on the Consolidated Income Statement

Section 1 - Interest - Items 10 and 20

1.1 Interest receivable and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial assets measured at fair value through profit or loss:	**7.181**	**333**	**-**	**7.514**	**4.747**
1.1. Financial assets held for trading	6	-	-	6	2
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets mandatorily measured at fair value	7.175	333	-	7.508	4.745
2. Financial assets measured at fair value through other comprehensive income	**11.487**	**-**	**X**	**11.487**	**13.704**
3. Financial assets measured at amortised cost:	**101.190**	**705.034**	**-**	**806.224**	**745.291**
3.1. Receivables due from banks	21.789	30.039	X	51.828	48.866
3.2. Receivables due from customers	79.401	674.995	X	754.396	696.425
4. Hedging derivatives	**X**	**X**	**2.468**	**2.468**	**1.449**
5. Other assets	**X**	**X**	**7.674**	**7.674**	**9.236**
6. Financial liabilities	**X**	**X**	**X**	**-**	**-**
Total	**119.858**	**705.367**	**10.142**	**835.367**	**774.427**
of which: interest income on impaired financial assets	-	*204.286*	-	*204.286*	*183.291*
of which: interest income on financial leases	*X*	*88.865*	*X*	*88.865*	*82.243*

As for "Financial assets measured at fair value through profit or loss", the amounts refer to debt securities and loans that failed the SPPI test, whereas in the case of "Financial assets measured at fair value through other comprehensive income", the reported amounts are securities, mainly government bonds, in the portfolio.

Interest income from receivables due from customers at amortised cost referring to debt securities is associated mainly with the senior tranche of a securitisation of bad loans guaranteed by Italian Treasury Department (GACS) that the Group, as well as with the securities portfolio, established as a use of liquidity.

The item "Hedging derivatives" in the column "Other transactions" shows the positive or negative amount of differentials or margins accrued on the aforementioned derivatives that correct the interest income recognised on the hedged financial instruments (which, for the Banca Ifis Group, are certain government securities valued at amortised cost and at fair value through other comprehensive income, hedged with a micro fair value hedge strategy).

With reference to the interest income on impaired financial assets totalling 204,3 million Euro at 31 December 2024, it should be noted that 185,1 million Euro (172,8 million Euro at 31 December 2023) is related to the specific activity of the Npl Segment, dedicated to non-recourse acquisition and managing distressed retail loans. The remainder relates to interest income on non-performing loans acquired as a result of the various business combinations in recent years.

1.2 Interest receivable and similar income: other information

1.2.1 Interest income on foreign currency financial assets

	31.12.2024	31.12.2023
Interest income on foreign currency financial assets	9.745	9.059

1.3 Interest due and similar expenses: breakdown

Items/Technical forms	Payables	Securities	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial liabilities measured at amortised cost	(337.413)	(95.656)	X	(433.069)	(342.944)
1.1 Payables due to central banks	(26.961)	X	X	(26.961)	(67.566)
1.2 Payables due to banks	(15.328)	X	X	(15.328)	(41.922)
1.3 Payables due to customers	(295.124)	X	X	(295.124)	(166.891)
1.4 Debt securities issued	X	(95.656)	X	(95.656)	(66.565)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(28)	(28)	(6)
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	(252)	(109)
Total	**(337.413)**	**(95.656)**	**(28)**	**(433.349)**	**(343.059)**
of which: interest expense on lease payables	*(521)*	*X*	*X*	*(521)*	*(415)*

The increase in interest expenses compared to the previous year is mainly related to the increase in the Group's average funding cost, which rose from an average figure of 3,08% in 2023 to 3,87% in 2024, as a result of the funding dynamics during the year (and in particular the aforementioned repayment of TLTRO lines).

1.4 Interest due and similar expenses: other information

1.4.1 Interest expense on foreign currency liabilities

	31.12.2024	31.12.2023
Interest expense on foreign currency liabilities	(4.207)	(5.090)

1.5 Hedging differentials

ITEMS	31.12.2024	31.12.2023
A. Positive differentials on hedging transactions:	13.882	7.243
B. Negative differentials on hedging transactions:	(11.414)	(5.794)
C. Balance (A-B)	**2.468**	**1.449**

Section 2 - Commissions - Items 40 and 50

2.1 Commission income: breakdown

Type of services/Amounts	31.12.2024	31.12.2023
a) Financial instruments	**-**	**-**
1. Placement of securities	-	-
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	-	-
2. Receipt and transmission of orders and execution of orders on behalf of customers	-	-
2.1 Receipt and transmission of orders for one or more financial instruments	-	-
2.2 Execution of orders on behalf of clients	-	-
3. Other commissions related to activities linked to financial instruments	-	-
of which: trading on own account	-	-
of which: individual portfolio management	-	-
b) Corporate finance	**23**	**253**
1. Mergers and acquisitions advisory services	-	-
2. Treasury services	-	-
3. Other commissions related to corporate finance services	23	253
c) Investment advisory activities	**-**	**-**
d) Clearing and settlement	**-**	**-**
e) Collective portfolio management	**-**	**-**
f) Custody and administration	**-**	**-**
1. Depository bank	-	-
2. Other commissions related to custody and administration activities	-	-
g) Central administrative services for collective portfolio management	**-**	**-**
h) Fiduciary activities	**-**	**-**
i) Payment services	**8.890**	**8.846**
1. Current accounts	3.554	3.875
2. Credit cards	407	359
3. Debit cards and other payment cards	1.147	854
4. Bank transfers and other payment orders	141	163
5. Other fees related to payment services	3.641	3.595
j) Distribution of third-party services	**4.688**	**5.360**
1. Collective portfolio management	-	-
2. Insurance products	4.677	5.349
3. Other products	11	11
of which: individual portfolio management	-	-
k) Structured finance	**-**	**-**
l) Servicing for securitisation transactions	**1.543**	**1.417**
m) Loan commitments	**-**	**-**
n) Guarantees given	**2.533**	**1.584**
of which: credit derivatives	-	-
o) Loans	**90.596**	**90.799**
of which: for factoring transactions	*60.404*	*64.908*
p) Trading in currencies	**-**	**-**
q) Commodities	**-**	**-**
r) Other commission income	**3.301**	**4.012**
of which: for management of multi-lateral trading facilities	-	-
of which: for management of organised trading facilities	-	-
Total	**111.574**	**112.271**

The main contribution to commission income comes from commissions related to financing transactions, which amounts to 90,6 million Euro as at 31 December 2024, substantially in line with the figure at the end of the previous year.

2.2 Commission expense: breakdown

Services/Amounts	31.12.2024	31.12.2023
a) Financial instruments	**(397)**	**(827)**
of which: trading in financial instruments	*(397)*	*(827)*
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and Settlement	**-**	**-**
c) Collective portfolio management	**-**	**-**
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	**(181)**	**(176)**
e) Collection and payment services	**(1.012)**	**(1.764)**
of which: credit cards, debit cards and other payment cards	-	-
f) Servicing for securitisation transactions	**-**	**(694)**
g) Loan commitments	**-**	**-**
h) Financial guarantees received	**(101)**	**(172)**
of which: credit derivatives	-	-
i) Out-of-office canvassing of financial instruments, services and products	**(4.037)**	**(2.360)**
j) Trading in currencies	**-**	**-**
k) Other commissions payable	**(14.071)**	**(8.057)**
Total	**(19.799)**	**(14.050)**

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

Items/Income	31.12.2024		31.12.2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	1.852	-	2.818
C. Financial assets measured at fair value through other comprehensive income	10.691	-	13.354	-
D. Equity investments	-	-	-	-
Total	**10.691**	**1.852**	**13.354**	**2.818**

Section 4 – Net profit (loss) from trading – Item 80

4.1 Net profit (loss) from trading: breakdown

Transactions/Income items	Capital gains (A)	Profit from trading (B)	Capital losses (C)	Losses from trading (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	**-**	**743**	**-**	**(50)**	**693**
1.1 Debt securities	-	453	-	(39)	414
1.2 Equity instruments	-	290	-	(11)	279
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**(308)**
4. Derivatives	**48.448**	**12.549**	**(40.443)**	**(22.863)**	**(2.309)**
4.1. Financial derivatives:	48.448	12.549	(40.443)	(22.863)	(2.309)
- On debt securities and interest rates	23.261	4.414	(14.661)	(14.055)	(1.041)
- On equity instruments and share indexes	25.187	8.135	(25.782)	(8.808)	(1.268)
- On currencies and gold	X	X	X	X	-
- Other	-	-	-	-	-
4.2 Derivatives on loans	-	-	-	-	-
of which: natural hedges connected to the fair value option	*X*	*X*	*X*	*X*	-
Total	**48.448**	**13.292**	**(40.443)**	**(22.913)**	**(1.924)**

Section 5 – Net result from hedging – Item 90

5.1 Net result from hedging: breakdown

Income components/Values	31.12.2024	31.12.2023
A. Income related to:		
A.1 Fair value hedging derivatives	2.231	-
A.2 Financial assets hedged (fair value)	168	12.613
A.3 Financial liabilities hedged (fair value)	-	-
A.4 Cash flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income from hedges (A)	**2.399**	**12.613**
B. Charges relating to:		
B.1 Fair value hedging derivatives	(977)	(12.713)
B.2 Financial assets hedged (fair value)	(2.562)	-
B.3 Financial liabilities hedged (fair value)	-	-
B.4 Cash flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedges (B)	**(3.539)**	**(12.713)**
C. Net result from hedging (A - B)	**(1.140)**	**(100)**
of which: result of hedges of net positions	-	-

It should be noted that the values as at 31 December 2023 are not readily comparable as hedging activities only started in June 2023.

Section 6 - Profit (loss) from sale or buyback - Item 100

6.1 Profit (loss) from sale or buyback: breakdown

Items/Income items	31.12.2024			31.12.2023		
	Profit	Losses	Net result	Profit	Losses	Net result
Financial assets						
1. Financial assets measured at amortised cost	33.835	(1.169)	32.666	13.112	(210)	12.902
1.1 Receivables due from banks	10.948	(458)	10.490	-	-	-
1.2 Receivables due from customers	22.887	(711)	22.176	13.112	(210)	12.902
2. Financial assets measured at fair value through other comprehensive income	10.425	(2.221)	8.204	4.333	(1.677)	2.656
2.1 Debt securities	10.425	(2.221)	8.204	4.333	(1.677)	2.656
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**44.260**	**(3.390)**	**40.870**	**17.445**	**(1.887)**	**15.558**
Financial liabilities measured at amortised cost	**-**	**-**	**-**			
1. Payables due to banks	-	-	-	-	-	-
2. Payables due to customers	-	-	-	-	-	-
3. Debt securities issued	86	(22)	64	1.099	(72)	1.027
Total liabilities (B)	**86**	**(22)**	**64**	**1.099**	**(72)**	**1.027**

Net gains from the sale or repurchase of financial assets and liabilities total 40,9 million Euro at 31 December 2024 (net gains of 16,6 million Euro at 31 December 2023), and mainly comprise 25,1 million Euro related to securities transactions in the proprietary portfolio mainly for the disposals of debt securities (vs 4,8 million Euro recorded in the first nine months of 2023), of which 12,3 million Euro related to bank debt securities and 12,8 million Euro relative to government securities and 16,1 million Euro from the disposals of loans in the Npl Segment (all classified as POCI, which is the Segment's core business).

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

7.1 Net change in other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

In these Consolidated Financial Statements, this item has no value.

7.2 Net change in other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets mandatorily measured at fair value

Transactions/Income items	Capital gains (A)	Gains on sale (B)	Capital losses (C)	Losses on sale (D)	Net result [(A+B)-(C+D)]
1. Financial assets	24.395	6.668	(5.642)	(1.294)	24.127
1.1 Debt securities	2.655	334	(823)	(1.132)	1.034
1.2 Equity instruments	11.854	6.334	(1.363)	(3)	16.822
1.3 UCITS units	9.729	-	(3.122)	-	6.607
1.4 Loans	157	-	(334)	(159)	(336)
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**24.395**	**6.668**	**(5.642)**	**(1.294)**	**24.127**

The net positive result of other financial assets and liabilities measured at fair value through profit or loss is 24,1 million Euro at 31 December 2024 (up 10,9 million Euro compared with the figure at 31 December 2023), primarily represented by the net positive change in the first nine months of 2024 fair value of equity securities for 16,9 million Euro (which includes the capital gain on the sale for 6,2 million Euro of participating financial instruments obtained from a restructuring operation of the debt of a position in the Non-Core unit), up 10,3 million Euro compared with 31 December 2023, and UCITS fund units for 6,6 million Euro (+1,3 million Euro compared with 31 December 2023).

Section 8 - Net credit risk losses/reversals - Item 130

8.1 Net credit risk losses related to financial assets measured at amortised cost: breakdown

Transactions/ Income items	Losses (1)						Reversals (2)				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
			Write-offs	Other	Write-offs	Other						
A. Receivables due from banks	**(139)**	**-**	**-**	**-**	**-**	**-**	**1.404**	**-**	**-**	**-**	**1.265**	**9**
- Loans	(139)	-	-	-	-	-	728	-	-	-	589	(294)
- Debt securities	-	-	-	-	-	-	676	-	-	-	676	303
B. Receivables due from customers	**(5.724)**	**(2.379)**	**(11.244)**	**(81.689)**	**(161.173)**	**(433.746)**	**12.581**	**5.440**	**41.039**	**728.544**	**91.649**	**79.328**
- Loans	(5.720)	(2.379)	(11.244)	(80.695)	(161.173)	(433.746)	11.385	5.440	41.039	728.544	91.451	78.752
- Debt securities	(4)	-	-	(994)	-	-	1.196	-	-	-	198	576
Total	**(5.863)**	**(2.379)**	**(11.244)**	**(81.689)**	**(161.173)**	**(433.746)**	**13.985**	**5.440**	**41.039**	**728.544**	**92.914**	**79.337**

The net reversals on financial assets at amortised cost falling under the category "impaired acquired or originated" (referred to as “POCI”) amounted to 133,6 million Euro at 31 December 2024 (594,9 million Euro in adjustments and 728,5 million Euro in write-backs). These net write-backs refer to the Npl Segment (for which POCI represents the core business) for 130,5 million Euro, while the remainder relates to net write-backs on POCI loans acquired as a result of business combinations carried out by the Group in previous years.

8.2 Net credit risk losses related to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/ Income items	Losses (1)						Reversals (2)				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
			Write-offs	Other	Write-offs	Other						
A. Debt securities	**(95)**	**(176)**	**-**	**-**	**-**	**-**	**754**	**-**	**-**	**-**	**483**	**(80)**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- To customers	-	-	-	-	-	-	-	-	-	-	**-**	**-**
- To banks	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Total	**(95)**	**(176)**	**-**	**-**	**-**	**-**	**754**	**-**	**-**	**-**	**483**	**(80)**

Section 9 - Gains (Losses) on contractual modifications without derecognition - Item 140

In these Consolidated Financial Statements, this item has no value.

Section 10 - Net premiums - Item 160

In these Consolidated Financial Statements, this item has no value.

Section 11 - Balance of other income/expense from insurance management - Item 170

In these Consolidated Financial Statements, this item has no value.

Section 12 - Administrative expenses - Item 190

12.1 Personnel expenses: breakdown

Type of expense/Sectors	31.12.2024	31.12.2023
1) Employees	(163.118)	(157.447)
a) salaries and wages	(115.767)	(110.607)
b) social security contributions	(30.492)	(30.171)
c) post-employment benefits	(3.388)	(3.179)
d) pension expense	(17)	(41)
e) allocations for post-employment benefits	(3.819)	(3.441)
f) allocations to pensions and similar provisions:	(99)	(222)
- defined contribution plans	-	-
- defined benefit plans	(99)	(222)
g) payments made to supplementary external funds:	(2.059)	(1.600)
- defined contribution plans	(2.059)	(1.600)
- defined benefit plans	-	-
h) costs arising from share-based payment agreements	(155)	(1.108)
i) other employee benefits	(7.322)	(7.075)
2) Other serving employees	(378)	(407)
3) Directors and Statutory Auditors	(6.356)	(5.948)
4) Retired personnel	-	-
Total	**(169.852)**	**(163.802)**

Personnel expenses, amounting to 169,9 million Euro, record an increase of 3,7%, 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 December 2024 is 2.013, up 3,8% compared to 1.940 resources at 31 December 2023) and on the other hand to the effects of the renewed national collective bargaining agreement.

The items "allocations for post-employment benefits" and "allocations to pensions and similar provisions - defined benefit" also include interest accrued during the year due to the passage of time.

12.2 Average number of employees by category

Employees:	31.12.2024	31.12.2023
Employees:	**1.925,3**	**1.907,0**
a) managers	99,5	97,5
b) middle managers	630,5	587,5
c) other employees	1.195,3	1.222,0
Other personnel	**29,5**	**-**

12.3 Defined-benefit corporate pension funds: costs and revenues

The balance at 31 December 2024 of the Banca Ifis Group's provisions for defined-benefit corporate pension funds amounts to 99 thousand Euro, a decrease compared with the 222 thousand Euro recorded at 31 December 2023. For more information on defined-benefit pension funds, please see “Section 10 - Provisions for risks and charges - Item 100" in Part B of these Notes to the Consolidated Financial Statements.

12.4 Other employee benefits

The cost of other employee benefits for FY 2024 amounts to 7,3 million Euro, essentially in line with the previous year.

This item mainly includes costs related to the Group's welfare system, such as meal vouchers, employee benefit policies, and costs related to professional training and refresher courses.

12.5 Other administrative expenses: breakdown

Other administrative expenses as at 31 December 2024 amount to 256,3 million Euro, down by 3,5 million Euro compared to 31 December 2023, as the increases in the sub-items "Legal and consulting" and "Outsourced services", related to the higher contribution of the former Revalea (now merged into Ifis Npl Investing) for FY 2024 (note that it became part of the Group's perimeter in October 2023), were more than offset by the cost savings recorded under "non-recurring administrative expenses" and under "charges related to the banking system".

Type of expense/Amounts	31.12.2024	31.12.2023
Expenses for professional services	**(134.732)**	**(122.516)**
Legal and consulting services	(92.898)	(87.106)
Fees to auditing firms	(1.173)	(1.016)
Outsourced services	(40.660)	(34.394)
Direct and indirect taxes	**(37.448)**	**(40.141)**
Expenses for purchasing goods and other services	**(75.359)**	**(75.552)**
Software assistance and hire	(22.556)	(19.074)
Advertising and inserts	(12.176)	(14.195)
Customer information	(8.019)	(12.404)
Property expenses	(7.966)	(7.495)
Business travel and transfers	(5.555)	(4.204)
Postage and archiving of documents	(3.597)	(3.733)
Car fleet management and maintenance	(3.556)	(3.247)
Telephone and data transmission expenses	(3.342)	(3.160)
Securitisation costs	(1.808)	(1.169)
Other sundry expenses	(6.785)	(6.871)
Charges related to the banking system	**(8.136)**	**(11.193)**
Non-recurring administrative expenses	**(610)**	**(11.455)**
Total other administrative expenses	**(256.284)**	**(260.857)**

The sub-item “Expenses for professional services” is 134,7 million Euro at 31 December 2024, up by 12,2 million Euro compared with the figure at 31 December 2023 (+10,0%) and mainly consists of:

- the sub-item “Legal and consulting services”, which comes to 92,9 million Euro in FY 2024, up 6,6% on the figure recorded for the previous year;
- costs for "Outsourced services", which amount to 40,7 million Euro at 31 December 2024, record an increase of 6,3 million Euro on the figure recorded for the previous year. The change is mainly attributable to the higher cost of Ifis Npl Investing's recovery activities (+10,3 million Euro), whose comparative figure for 2023 had benefited from the settlement of the effects of the change in the commission system and the contribution, limited to just two months, of the costs associated with the former Revalea (which joined the Group starting 31 October 2023).

“Direct and indirect taxes” come to 37,4 million Euro, a reduction on the figure at 31 December 2023, which was 40,1 million Euro (-6,7%). The item mainly consists of the registration tax incurred for the judicial recovery of receivables belonging to non-performing loans for an amount of 22,5 million Euro at 31 December 2024 (26,1 million Euro at the end of the previous year), and also includes costs for stamp duty for 13,7 million Euro (in line with the 31 December 2023 figure), the recharging of which to customers is included in the item "Other operating income".

The sub-item “Expenses for purchasing goods and other services” amounts to 75,4 million Euro, in line with 31 December 2023. The factors that mainly influence the result are:

- costs for “Software support and rental”, which amount to 22,6 million Euro and show an increase (+18,3%(compared with the figure at 31 December 2023;
- expenses for “Advertising and inserts”, which increase from 14,2 million Euro to 12,2 million Euro at December 2024 (-2,0 million Euro compared with 31 December 2023);
- "Customer information expenses", which amount to 8,0 million Euro at 31 December 2024 and decrease by 4,4 million Euro compared to 31 December 2023, mainly due to lower costs incurred by the subsidiary Ifis Npl Investing, mainly due to the related Npl portfolio purchase timing;
- "Property expenses", which amount to 8,0 million Euro and increase by 6,3% compared to December 2023 (+0,5 million Euro), mainly as a result of higher supervision costs.

At 31 December 2024, the item “Charges related to the banking system” amounts to 8,1 million Euro and represents the cost of the annual contribution to the Interbank Deposit Protection Fund (FITD), of which 7,9 million Euro relates to the Parent Company Banca Ifis and the remaining 0,2 million Euro to the subsidiary Banca Credifarma. The comparative balance at 31 December 2023, amounting to 11,2 million Euro, represents the cost of the annual contribution made to the Interbank Deposit Protection Fund (FITD) and the contribution under the accumulation plan of the Single Resolution Fund (SRF) made in FY 2023. As far as the SRF is concerned, nothing was required in terms of contributions at 31 December 2024, the savings plan target having been reached in 2023.

The item "Non-recurring administrative expenses" shows a net balance as at 31 December 2024 of 610 thousand Euro and refers to non-recurring operating costs pertaining to FY 2024 connected to the acquisition of Revalea and its integration within the Banca Ifis Group, including those relating to its merger by incorporation into Ifis Npl Investing which took place in 2024 (for more details see "Part G - Business combinations" of the Notes to these Consolidated Financial Statements).

Section 13 - Net allocations to provisions for risks and charges - Item 200

13.1 Net allocations to provisions for credit risk related to loan commitments and financial guarantees granted: breakdown

At 31 December 2024, net releases are recorded for credit risk related to loan commitments and financial guarantees granted of 89 thousand Euro, reflecting the estimated risk on the commitments made. For more details, see Part B, “Section 10 - Provisions for risks and charges - Item 10” of the Liabilities, in these Notes to the Consolidated Financial Statements.

13.2 Net allocations to provisions for other commitments and other guarantees given: breakdown

Net allocations to provisions for other commitments and other guarantees given showed a balance of 337 thousand Euro as at 31 December 2024.

13.3 Net allocations to other provisions for risks and charges: breakdown

Net allocations to other provisions for other risks and charges at 31 December 2024 amount to 478 thousand Euro, while the balance at 31 December 2023 recorded net allocations to provisions made of 7,9 million Euro. FY 2024 performance was characterised by releases to be attributable to the Parent Company Banca Ifis for 9,1 million Euro relating to disputes connected to the former Aigis Banca (for 5,8 million Euro) and to the settlement of a dispute relating to the former Interbanca (for 3,3 million Euro), which were more than offset by provisions totalling 9,6 million Euro, of which 7,5 million Euro to cover risks related to outstanding disputes on tax credits for superbonus and other building tax bonuses (recognised in the balance sheet item "Other assets") and 1,6 million

Euro mainly related to guarantees for indemnities in connection with a transaction involving the sale of a shareholding.

For more details on year changes, see Part B, “Section 10 - Provisions for risks and charges - Item 10” of the Liabilities, in these Notes to the Consolidated Financial Statements.

Section 14 - Net impairment losses/reversals on property, plant and equipment - Item 210

14.1 Net impairment losses on property, plant and equipment: breakdown

Assets/Income items	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a + b - c)
A. Property, plant and equipment				
1. for functional use	(12.198)	-	-	(12.198)
- owned	(7.033)	-	-	(7.033)
- rights of use acquired through leases	(5.165)	-	-	(5.165)
2. Held for investment	-	(17)	-	(17)
- owned	-	(17)	-	(17)
- rights of use acquired through leases	-	-	-	-
3. Inventories	X	-	-	-
Total	**(12.198)**	**(17)**	**-**	**(12.215)**

Section 15 - Net impairment losses/reversals on intangible assets - Item 220

15.1 Net impairment losses on intangible assets: breakdown

Assets/Income items	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a + b - c)
A. Intangible assets				
of which: software	*(9.382)*	-	-	*(9.382)*
A.1 Owned	(11.061)	-	-	(11.061)
- Internally generated	(366)	-	-	(366)
- Other	(10.695)	-	-	(10.695)
A.2 Rights of use acquired through leases	-	-	-	-
Total	**(11.061)**	**-**	**-**	**(11.061)**

Section 16 - Other operating income (costs) - Item 230

16.1 Other operating costs: breakdown

Type of expense/Amounts	31.12.2024	31.12.2023
a) Transactions with customers	(107)	(104)
b) Capital losses	(1.055)	(829)
c) Other expenses	(3.759)	(2.475)
Total	**(4.921)**	**(3.408)**

16.2 Other operating income: breakdown

Amounts/Income	31.12.2024	31.12.2023
a) Recovery of third party expenses	16.478	15.446
b) Rental income	106	123
c) Income from the realisation of property, plant and equipment	1.278	1.606
d) Other income	20.809	11.302
e) Gain on a bargain purchase	-	8.536
Total	**38.671**	**37.013**

Other net operating income, amounting to 33,8 million Euro at 31 December 2024, is substantially in line with the figure at 31 December 2023, of 33,6 million Euro.

Section 17 – Profit (loss) on equity investments – Item 250

This item has no value in these Consolidated Financial Statements.

Section 18 - Net profit (loss) from fair value measurement of property, plant and equipment and intangible assets - Item 260

This item has no value in these Consolidated Financial Statements.

Section 19 - Value adjustments of goodwill - Item 270

This item has no value in these Consolidated Financial Statements.

Section 20 - Gains (losses) on disposal of investments - item 280

20.1 Gains (losses) on disposal of investments: breakdown

Type of expense/Amounts	31.12.2024	31.12.2023
A. Property	-	986
- Gains on disposal	-	986
- Losses on disposal	-	-
B. Other assets	-	-
- Gains on disposal	-	-
- Losses on disposal	-	-
Net result	**-**	**986**

The comparative balances for 2023 refer to the effect of the sale of a property held by the subsidiary Banca Credifarma.

Section 21 - Income taxes for the year relating to current operations - Item 300

21.1 Income taxes for the year relating to current operations: breakdown

	Income items/Sectors	31.12.2024	31.12.2023
1.	Current taxes (-)	(53.461)	(57.837)
2.	Changes in current taxes of previous years (+/-)	3.026	1.559
3.	Reductions in current taxes for the year (+)	19	-
3.bis	Reductions in current taxes for the year for tax credits as per Italian Law No. 214/2011 (+)	28.602	-
4.	Changes in deferred tax assets (+/-)	(61.670)	(20.237)
5.	Changes in deferred tax liabilities (+/-)	1.315	874
6.	Tax expense for the year (-) (-1+/-2+3+3 bis+/-4+/-5)	(82.168)	(75.641)

21.2 Reconciliation between theoretical tax charges and effective tax charges for the year

Items/Components	31.12.2024	31.12.2023
Pre-tax profit (loss) for the period from continuing operations	**245.342**	**237.557**
IRES - theoretical tax charges (27,5%)	(67.469)	(86.427)
- effect of lower tax rate	1.102	707
- effect of non-taxable income and other decreases - permanent	29.012	35.504
- effect of non-deductible charges and other increases - permanent	(26.998)	(6.476)
- non-current corporate income tax (IRES)	(82)	1.201
IRES - Effective tax charges	**(64.435)**	**(55.491)**
IRAP - theoretical tax charges (5,57%)	(13.666)	(17.506)
- effect of lower tax rate	569	389
- effect of income/charges that are not part of the taxable base	(7.744)	(4.112)
- non-current corporate income tax (IRAP)	3.108	1.079
IRAP - Effective tax charges	**(17.733)**	**(20.150)**
Other taxes	**-**	**-**
Effective tax charges for the year	**(82.168)**	**(75.641)**

FY 2024 income tax comes to 82,2 million Euro and the tax rate is 33,49%, compared with the 31,84% of last year.

Section 22 - Profit (Loss) from discontinued operations after tax - Item 320

In these Consolidated Financial Statements, this item has no value.

Section 23 - Profit (Loss) for the year attributable to non-controlling interests - Item 340

23.1 Detail of item 340 Profit (loss) for the year attributable to non-controlling interests

Company Name	31.12.2024	31.12.2023
Consolidated equity investments with significant minority interests	1.596	1.806
1. Banca Credifarma S.p.A.	1.596	1.806
Other equity investments	-	-
Total	**1.596**	**1.806**

Section 24 - Other information

24.1 Disclosure of government grants as per Article 1, paragraph 125 of Italian Law No. 124 of 4 August 2017 (the "Annual Law on the Market and Competition")

Italian Law No. 124 of 4 August 2017 (Annual Market and Competition Law), under Art. 1, paragraphs 125-129, introduced various measures aimed at increasing the transparency of contributions by administrations and public companies, including listed, in the favour of third sector subjects and businesses in general.

Specifically, with respect to the financial reporting process, the law requires all businesses to disclose subsidies, grants, paid positions, and economic benefits of any kind received from the following entities in the notes to the Annual and Consolidated Financial Statements:

- public administrations and entities with equivalent status (Article 2-bis, Italian Legislative Decree No. 33/2013);
- entities owned, either de jure or de facto, directly or indirectly, by public administrations; and
- state-owned enterprises.

Said disclosures are required if the amounts received during the reporting period exceeded 10 thousand Euro.

Consistently with the clarification issued by Italy's Council of State with opinion No. 1.149 of 1 June 2018 and the guidance provided by trade associations (Assonime), the disclosure requirements do not apply to the following:

- prices for the business provision of professional and other services and supplies or other appointments coming under the scope of the core business. Indeed, these amounts received do not come under the scope of donations/public support policies;
- tax expenditures available to all businesses that meet specific conditions, based on pre-established general requirements, which are also the subject of specific disclosures;
- extension of subsidised loans to customers, as these involve funds of third parties (e.g. interest rate subsidies from the public administration) and not funds of the bank that acts as intermediary.

For information on subsidies, contributions, paid assignments and economic advantages of any kind received by Group companies, please refer to the National Register of State Aid, "Transparency" section.

Section 25 - Earnings per share

25.1 Average number of ordinary diluted shares

Earnings per share and diluted earnings per share	31.12.2024	31.12.2023
Net profit for the year attributable to the Parent Company (in thousands of Euro)	161.578	160.110
Average number of outstanding shares (1)	52.529.787	52.456.037
Average number of ordinary diluted shares	53.383.843	52.456.037
Consolidated earnings per share for the year (units of Euro)	**3,08**	**3,05**
Consolidated diluted earnings per share for the year (units of Euro)	**3,03**	**3,05**

(1) Outstanding shares are net of treasury shares held in the portfolio.

Diluted earnings per share is determined by dividing net income by the weighted average number of shares outstanding during the period, excluding treasury shares, plus the number of shares that could potentially be added to those outstanding as a result of the assignment or disposal of treasury shares held under stock option plans. Therefore, the difference between the average number of outstanding shares and the average number of ordinary shares on a diluted capital basis with reference to 31 December 2024 derives from the potentially dilutive effect of the stock options granted as a result of the vesting of the 2021-2023 Long Term Incentive (LTI) Plan for the Chief Executive Officer, Co-General Managers and other Group employees. For more details on this LTI Plan, please refer to 'Part I - Share-based payments' of these Notes to the Consolidated Financial Statements.

25.2 Other information

There is no further information to report.

Part D - Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

	ITEMS (in thousands of Euro)	31.12.2024	31.12.2023
10.	**Profit (loss) for the year**	**163.174**	**161.916**
	Other comprehensive income not to be reclassified to profit or loss	**(3.657)**	**(4.561)**
20.	Equity securities measured at fair value through other comprehensive income	(2.441)	(2.745)
	a) fair value gains (losses)	8.580	1.046
	b) transfers to other components of equity	(11.021)	(3.791)
40.	Hedging of equity securities measured at fair value through other comprehensive income	(179)	-
	a) fair value gains (losses) (hedged instrument)	(1.374)	-
	b) fair value gains (losses) (hedging instrument)	1.195	-
70.	Defined benefit plans	392	(131)
110.	Income taxes related to other comprehensive income to be reclassified to profit or loss	(1.429)	(1.685)
	Other comprehensive income to be reclassified to profit or loss	**3.102**	**19.815**
130.	Exchange differences	709	2.994
	a) changes in value	709	2.994
160.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	3.813	25.093
	a) fair value gains (losses)	(7.962)	21.045
	b) reclassification to profit or loss	11.775	4.048
	1. credit risk losses	(483)	80
	2. gains/losses on sale	12.258	3.968
210.	Income taxes related to other comprehensive income to be reclassified to profit or loss	(1.420)	(8.272)
220.	**Other comprehensive income**	**(555)**	**15.254**
230.	**Comprehensive income (Item 10 + 220)**	**162.619**	**177.170**
240.	Consolidated comprehensive income attributable to non-controlling interests	(1.597)	(1.806)
250.	**Consolidated comprehensive income attributable to the Parent company**	**161.022**	**175.364**

Part E - Information on risks and related hedging policies

Risk governance organisation

The prudential supervisory provisions for banks continue to strengthen the system of rules and incentives that allow to measure more accurately potential risks connected to banking and financial operations as well as maintain internal capital levels more suited to the effective level of risk exposure of each intermediary.

Concerning risk governance, the Group regularly reviews the strategic guidelines set out in the so-called Risk Appetite Framework. Meanwhile, the Pillar 2 of the provisions includes the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) processes, pursuant to which the Group autonomously assesses, respectively, its own current and expected capital adequacy in relation to both so-called Pillar 1 risks (credit risk, counterparty risk, market risk and operational risk) and other risks (banking book interest rate risk, concentration risk, etc.), and its adequacy as far as the governance and management of liquidity risk and funding is concerned.

With reference to 31 December 2024 and in compliance with the obligations provided for by the so-called Pillar 3 regulations, the Disclosure to the Public concerning capital adequacy, exposure to risks and the general characteristics of the systems designed to identify, measure and manage them is submitted for approval to the Board of Directors of Banca Ifis at the same meeting of the Board of Directors of these 2024 Consolidated Financial Statements. Refer to the website www.bancaifis.it in the "Investor Relations & Corporate Development" section for the most up-to-date version of the Pillar 3 Disclosure available.

With reference to the above and pursuant to Circular No. 285 of 17 December 2013 as amended - Supervisory Provisions for banks - the Banca Ifis Group has set up an Internal Control System that aims to guarantee a reliable and sustainable generation of value in a context of sensible risk control and taking, so as to protect the Group's capital adequacy as well as its financial position and performance.

The Banca Ifis Group's Internal Control System consists of a series of rules, functions, structures, resources, processes, and procedures aimed at ensuring the following goals are achieved consistently with the principle of sound and prudent management:

- executing business strategies and policies;
- containing risk within the limits set out in the Group's Risk Appetite Framework ("RAF");
- safeguarding the value of assets and protecting the Bank from losses;
- maintaining effective and efficient business processes;
- ensuring the reliability and security of corporate information and IT procedures;
- preventing the risk that the Group might become involved, including involuntarily, in unlawful activities (and specifically those associated with money laundering, usury, and terrorist financing);
- ensuring operations comply with the law and supervisory regulations as well as internal policies, rules and procedures.

Audits involve all personnel to varying degrees and constitute an integral part of day-to-day operations. They can be classified according to the relevant organisational structures. Some types of audits are highlighted below:

- line audits aim to ensure operations are carried out correctly. These audits are carried out by the operational structures themselves, incorporated in procedures, or performed as part of back office operations. The operational structures are primarily responsible for the risk management process: as part of their day-to-day operations, they shall identify, measure or assess, monitor, mitigate, and report the risks arising from ordinary operations in accordance with the risk management process; they shall comply with the operational limits assigned to them in accordance with the risk objectives and the procedures that form part of the risk management process;

- risk and compliance controls ("second line of defence") are intended to ensure the risk management process is correctly implemented in accordance with the operational limits assigned to the various functions, and that business operations comply with regulations - including corporate governance rules;
- internal auditing ("third line of defence") is aimed at identifying breaches of procedures and regulations as well as regularly assessing the comprehensiveness, adequacy, functionality (in terms of both efficiency and effectiveness), and reliability of the internal control and IT systems on a regular basis based on the nature and extent of the risks.

The role of the different players involved in the Internal Control System (the Board of Directors, the Control and Risks Committee, the Director in charge of the Internal Control and Risk Management System, the Supervisory Body pursuant to Italian Legislative Decree No. 231/2001, Internal Audit function, Risk Management function, Compliance function, Anti-Money Laundering function) in addition to the Manager charged with preparing the Company's financial reports according to the connotation of banking reality with listed shares, are described in detail in the "Report on corporate governance and shareholding structure" prepared in accordance with the third paragraph of Article 123 bis of Italian Legislative Decree No. 58 of 24 February 1998 ("TUF"), as amended, the latest edition of which was approved by the Banca Ifis Board of Directors on 6 March 2025, jointly with the 2024 consolidated financial statements, and published on the website www.bancaifis.it in the Corporate Governance section.

Risk culture

The Parent Company facilitates the development and dissemination at all levels of an integrated risk culture in relation to the various types of risk and extended to the entire Group. Specifically, working together with the different corporate functions and the Human Resources function, it has developed and implemented training programmes to raise awareness about risk prevention and management responsibilities among employees.

In this context, the Parent Company's control functions (Risk Management, Compliance and Anti-Money Laundering) are active parties in the training processes as far as they are concerned. A culture of widespread responsibility is promoted, with capillary staff training, aimed both at acquiring knowledge of the risk management framework (approaches, methodologies, operational applications, rules and limits, controls), and at internalising the Group's value profiles (code of ethics, behaviour, rules of conduct and relations).

This Part E of the Notes to the Consolidated Financial Statements provides information on the following risk profiles, the relevant management and hedging policies implemented by the Group, and trading in derivative financial instruments:

- credit risk;
- market risks:
  - interest rate risk;
  - price risk;
  - currency risk;
- liquidity risk;
- operational risks.

Management of risks linked to climate change

Climate change-related risks are among the thematic areas of particular relevance indicated by ESMA in its public statement of 24 October 2024 entitled "European common enforcement priorities for 2024 corporate reporting".

In this respect, the Banca Ifis Group has, over the years and in line with the requirements of Art. 3 of Italian Legislative Decree 254/2016, activated processes and defined specific responsibilities to identify and manage the main risks relating to climate change and other ESG topics.

With specific reference to climate and environmental risks, the analysis of supervisory expectations gave rise to a project to integrate environmental factors into corporate strategies, governance and control systems, the risk management framework and disclosure. A further strategic objective is to incorporate the relevant risks into the company's main valuation processes

The multi-year plan to align with supervisory expectations on climate-related and environmental risks, put into place by Banca Ifis and delivered to the Bank of Italy at the beginning of 2023, is divided into project streams involving several areas.

The activities already carried out by Banca Ifis include a materiality assessment used to identify climate risk factors and the causal mechanisms whereby these factors are transferred to traditional risks (transmission channels).

With regard to risk factors, physical risks and transition risks are recognised. In particular, with regard to physical risks, chronic or acute adverse weather events were analysed, and among these, those relevant to the context in which Banca Ifis operates were identified. These effects were analysed on the basis of various elements such as, for example, the georeferencing of the portfolio, the company's operations and, more generally, the main assets considered important for business continuity. With regard to transition risks, the identified drivers are grouped into three categories: technological innovation, changing regulation and consumer preferences.

The table below describes the main categories and respective risk drivers associated with physical and transitional climate risks and their time frame.

Risk type	Risk drivers		Time frame
Transition risks	Regulatory	Global policy (e.g. Paris Agreement) can limit activities and segments with a high level of emissions and environmental risk. As an example, the regulation on Energy Performance Certificates may impact the value of portfolio properties	Medium-term
	Technological	The transition to low-impact technologies requires a higher cost for companies to retrofit plants and production facilities, potentially impacting the business model and the ability to generate revenues and profits	Medium-term
	Market	A shift in consumer preferences towards more climate-friendly consumption potentially impacts all mayor sectors associated with high energy consumption and/or high levels of pollution	Medium-term
Physical risks	Acute	Heat waves, fires, floods, droughts, landslides, earthquakes	Short-term
	Chronic	Extreme temperatures, soil erosion, water stress, sea level rise	Medium-term/Long-term

The findings of the materiality assessment exercise indicate an overall moderate exposure to climate and environmental risks.

In line with the Bank of Italy's expectations on climate and environmental risks (i.e. Expectations VI), the Parent Company Banca Ifis carried out an initial Climate Stress test exercise in 2024, which was attached to the ICAAP Report. The study of the effects of climate and environmental risks on credit risk was conducted by analysing the possible impact of severe climate change on the Income Statement through the deterioration of credit quality and risk parameters.

The choice of climate scenario was guided by the characteristics of the Banca Ifis Group's portfolio, which is poorly securitised and mainly made up of short-term products such as factoring. Given the low materiality of securitised exposures, scenarios capturing physical risks, such as flooding, were not deemed suitable for the Group's specificities. The "Short-term disorderly" scenario, shared by the ECB in the context of the 2022 climate stress test, was chosen because it is the latest short-term climate scenario readily available on the market. This scenario assesses the short-term vulnerabilities of banks to a sharp and sudden increase in the price of issues resulting from a disorderly transition. It captures transition risk by anticipating long-term effects in a severe but plausible tail event. Unlike the 30-year long-term scenarios, the short-term scenario does not fully reflect the benefits of the transition and the related economic recovery. In terms of severity, however, it is not as bad as a typical EU-Wide stress test scenario, as a disorderly transition is different from a severe economic crisis. Compared to the baseline scenario, Italy's economic growth is projected to decrease by around 3,7% at a cumulative 2-year level (compared to 9,6% in the adverse scenario of the EU-Wide stress test 2023). Energy variables such as the price of oil per barrel (projected to rise by 66 Dollar and 124 Dollar in the first and second projection years compared to the baseline scenario) are the most stressed as they reflect the rising cost of emissions, the main assumption of the "Short-term disorderly" climate scenario. Compared to more recent climate scenarios, which are not considered since they are long-term (with projections through to 2050) such as the "Delayed transition" published by NGFS (step 4), the "Short-term disorderly" scenario considered for the Climate Stress exercise is more severe in terms of energy price shocks (i.e. oil price per barrel).

In order to align the scenario with current economic conditions, the macroeconomic projections were defined by applying the shocks (i.e. applying deviations from the baseline scenario) of the "Short-term disorderly" scenario of the 2022 Climate Risk Stress Test to the latest baseline scenario projections. This approach ensures consistency and comparability of results with the latest scenarios underlying the management budget rather than the capital adequacy assessment exercise.

The projections of the main macroeconomic variables of the considered climate scenario are presented below.

FINANCIAL INDICATORS FINANCIAL YEAR END (%)	Climate Scenario - Short-term disorderly		
	2024	2025	2026
Italian real GDP growth y/y	(2,2)%	(0,2)%	0,8%
Italian unemployment	8,2%	8,3%	7,5%
Euribor 3M	4,0%	3,6%	3,1%
10-year BTP yield	4,8%	5,1%	5,7%
Brent barrel oil price growth y/y	76,6%	40,5%	25,7%
Italian inflation	2,9%	2,8%	2,9%

The stress test exercise, in terms of the application of the 'short term disorderly' climate scenario on the Banca Ifis Group's risk parameters (PD and LGD), shows a marginal impact in terms of ECL increase.

The other risks (market risk, liquidity risk and operational risk) are also discussed in more detail in the Sustainability Statement (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double materiality analysis, DP 20), the analyses conducted in 2024 led to the identification of moderate impacts for operational risks, while market risk and liquidity risk were considered as non-material.

Section 1 - Accounting consolidation risks

Quantitative information

The gross exposures reported in the following tables account for the positive impact of the breakdown of the difference between the fair value as measured in the business combination and the carrying amount of the receivables recognised by the subsidiaries over time.

A. Credit quality

A.1 Non-performing and performing credit exposures: amounts, impairment losses, trend, and economic breakdown

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amounts)

Portfolio/Quality	Bad loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	1.219.018	439.622	60.931	207.602	9.586.608	11.513.781
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	544.936	544.936
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	1.194	-	-	69.055	70.249
5. Financial assets under disposal	-	-	-	-	-	-
Total 31.12.2024	**1.219.018**	**440.816**	**60.931**	**207.602**	**10.200.599**	**12.128.966**
Total 31.12.2023	**1.303.993**	**448.587**	**109.533**	**230.248**	**9.895.667**	**11.988.028**

Excluded from this table are on-demand receivables from banks (which are classified under the item "Cash and cash equivalents", in accordance with Bank of Italy instructions), equity securities and UCITS units.

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

Portfolio/Quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Overall impairment losses/reversals	Net exposure	Overall partial write-offs (1)	Gross exposure	Overall impairment losses/reversals	Net exposure	
1. Financial assets measured at amortised cost	1.927.520	(207.949)	1.719.571	12.219	9.867.424	(73.214)	9.794.210	11.513.781
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	545.617	(681)	544.936	544.936
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	1.194	-	1.194	-	X	X	69.055	70.249
5. Financial assets under disposal	-	-	-	-	-	-	-	-
Total 31.12.2024	**1.928.714**	**(207.949)**	**1.720.765**	**12.219**	**10.413.041**	**(73.895)**	**10.408.201**	**12.128.966**
Total 31.12.2023	**2.042.622**	**180.510**	**1.862.112**	**3.149**	**10.153.262**	**114.337**	**10.125.916**	**11.988.028**

(1) Amount to be reported for disclosure purposes

Excluded from this table are on-demand receivables from banks (which are classified under the item "Cash and cash equivalents", in accordance with Bank of Italy instructions), equity securities and UCITS units.

Portfolio/Quality	Low credit quality assets		Other assets
	Accumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	12.069
2. Hedging derivatives	-	-	7.404
Total 31.12.2024	**-**	**-**	**19.473**
Total 31.12.2023	**-**	**-**	**12.896**

Equity securities are not included in this table.

B. Disclosure on structured entities (other than securitisation vehicles)

There are no unconsolidated structured companies at 31 December 2024 other than the securitisation company falling within the Banca Ifis Group's scope.

Section 2 - Prudential consolidation risks

1.1 Credit risk

Qualitative information

1. General aspects

In accordance with the guidelines approved by the Parent Company's Governing Body and the changes in the supervisory regulatory framework, the Group seeks to strengthen its competitive position in the market offered to small and medium enterprises (SMEs). The aim is to increase its market share in the following segments: trade receivables, including for entities with specialist needs such as pharmacies, leasing, tax receivables, and distressed loans, providing high-quality and highly customisable financial services while keeping credit risk under control and profitability in line with the level of quality offered. A complementary reference market for the Banking Group's lending activities is also the Private unit, with a product offer mainly oriented towards operating leases, salary-backed loans or operations related to the pharmaceutical sector, carried out by the subsidiary Banca Credifarma, a banking operator specialising in granting advances, medium/long-term loans and financial services to pharmacies.

As at the date of these Consolidated Financial Statements, the banking group's business activities are conducted in the following areas:

- the factoring business is characterised by the direct assumption of risks related to granting advances and loans, as well as guarantees, if any, on trade receivables of mainly SMEs. As part of its operations, the factoring segment purchases receivables due from public health service and local authorities outright;
- Corporate Lending and Structured Finance operations, which focus on offering medium and long-term financing and secured and unsecured products to support companies operating in Italy in their organic or inorganic growth through extraordinary operations to reposition or expand their business, establish alliances or pursue integrations, promote restructuring processes, or introduce new investors and partners into the company. The clients of this segment are usually corporations;
- investments in non-financial companies and in units of intermediaries;
- medium/long-term loans to SMEs operating in the main production sectors, covered by the public guarantee, conceived by the Ministry of Economic Development (MED) of the Central Guarantee Fund;
- the leasing segment targets mainly small economic operators as well as SMEs. In general, finance leases help independent contractors and businesses finance company cars and commercial vehicles as well as facilitate equipment investments for businesses and resellers. Meanwhile, long-term leases mainly focus on equipment finance - specifically on office and IT products and, to a lesser extent, industrial and healthcare equipment;
- the acquisition of non-performing loans (Npls) by the subsidiary Ifis Npl Investing S.p.A., mainly from retail customers;

- servicing (master and special services), management of Npl portfolios with collection both judicial and non-judicial, consultancy in due diligence activities and authorised investors in Npl transactions, managed by the subsidiary Ifis Npl Servicing;
- the granting of loans to retail customers, including through the definition and refinancing of transferred non-performing loans, to be settled through salary- or pension-backed loan schemes, managed by the subsidiary Cap.Ital.Fin.;
- short- and medium-term lending to pharmacies by the subsidiary Banca Credifarma, including through the disposal of receivables due from Italy's National Health Service as well as public- and private-sector healthcare providers;
- management of the proprietary portfolio, carried out mainly via financial investments in bonds, mostly government bonds, and listed equities;
- securitisation activities, which are aimed at segment operators, in particular originators and investors, by offering finance through investments in asset-backed securities (ABS) and other exposures to securitisation schemes, and by taking on the roles of arranger and sponsor in the context of such transactions with a view to cross-selling. Investments are mainly concentrated in senior and mezzanine tranches with underlying performing assets and with a favourable trade-off in terms of expected profitability compared to risk weighting.

Given the particular business of the Group's companies, credit risk is the most important element to consider as far as the general risks assumed by the Group are concerned. Maintaining an effective credit risk management is a strategic objective for the Banca Ifis Group, pursued by adopting integrated tools and processes that ensure proper credit risk management at all stages (appraisal, lending, monitoring and management, and interventions on troubled loans).

2. Credit risk management policies

As part of its lending operations, the Banca Ifis Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may cause an unforeseen change in the relevant credit exposure, requiring to write off all or part of the receivables. This risk is always inherent in conventional lending operations, regardless of the form of financing.

The main reasons for non-compliance are the lack of the borrower's independent capacity to service and repay the debt (due to lack of liquidity, insolvency, etc.) and the occurrence of circumstances that affect the borrower's economic and financial conditions, such as the "country risk".

With regard to impaired purchased receivables (POCI), an additional risk to which the Group is exposed is the risk of inadequate collection, i.e., losses incurred due to the failure to collect receivables from defaulting counterparties.

2.1 Organisational aspects

The standards and guidelines that the Banca Ifis Group intends to give in respect of the concession of credit are set out in the "Group Credit Policy" applied and given out, insofar as competent, to all the organisational units of the Bank and Group companies involved in the assumption and management of credit.

Inside, we find:

- the roles and responsibilities of the corporate bodies and organisational structures involved in the loan process;
- the definition of the credit strategies and rules with reference to segments of customers, counterparties and types of comparable transactions, the limits of reliance assigned to non-banking counterparties, the limits to exposure assigned to the various types of economic businesses, the identification of the Most Significant Transactions (MSTs) for the preventive verification that they are indeed consistent with the risk limits and objectives defined in the Group Risk Appetite Framework (RAF), the limits to the risk assigned to transactions with related parties and/or company representatives, pursuant to Art. 136 of the Consolidated Law on Banking. The monitoring, review and update of the credit rules and strategies involve:

  - the Parent Company’s Large Risks & Monitoring organisational unit, in coordinating the process of formulating proposed reviews and updates to the credit policies to be submitted for the approval of the Parent Company's Board of Directors;
  - the Parent Company’s Risk Management function in monitoring the results achieved by the Group in terms of volumes and overall effective positioning on the credit market in line with the defined credit strategies;
- the most qualifying elements in the credit process, with specific reference:
  - to the definition of risk categories to be assigned to customers, according to the different risk profile that can be attributed to the technical loan forms involved, closely linked to the operative processes connected with the "Group System of delegated powers" on the assumption of the credit risk;
  - to the examination of all useful information, both internal and external, functional to the determination of the customer's credit rating and future solvency of the debtor, measuring the credit risk firstly using normal sources for the repayment of exposure and, thereafter, considering the use of the accessory guarantees connected with the credit intervention;
- the monitoring and review of the model used to define credit faculties or the matrix of faculties for granting credit and the related limits;
- the structuring of the credit process, in its comprehensive cycle, into two macro processes of "investigation and disbursement of credit" and "monitoring and collection of debt".

On an operative level, the various Group companies structure the specific operating procedures for the application of credit rules into Organised Procedures or Operative Notes.

Within the Banca Ifis Group, the corporate bodies of Banca Ifis and the banks and other financial subsidiaries play a key role in managing and controlling credit risk, ensuring an appropriate supervision of credit risk within the scope of their responsibilities by identifying strategic guidelines as well as risk management and control policies, assessing their efficiency and effectiveness over time, and defining the duties and responsibilities of the corporate functions involved in the relevant processes.

Under the current organisational structure, specific central areas are involved in credit risk management and governance, ensuring, with the appropriate level of segregation, the performance of management operations as well as first and second line of defence controls by adopting adequate processes and IT applications.

Overall, despite some differences deriving from the various products/portfolios, the lending process follows a shared organisational approach with various operational stages and roles, responsibilities, and controls at different levels.

Specifically, Banca Ifis's organisational structure consists of the following Business Units, dedicated to different activities, centralised in the Co-General Manager Chief Commercial Officer (CCO):

- Commercial & Corporate Banking Underwriting dedicated, both with reference to the initial granting of credit and renewal and review activities, to assessing the creditworthiness of the counterparties as well as the risk inherent in the transactions and approving credit facilities in compliance with the powers assigned to it by the Board of Directors and formalised in the Group's System of Delegated Authorities for the assumption of credit risk;
- Commercial Banking, dedicated to the promotion of financing services to domestic and foreign companies and to the care of the correct relationship with the counterparties developed directly or indirectly, as well as the debtors (domestic or foreign) acquired as part of the operations carried out;
- Corporate & Investment Banking, dedicated to Structured Finance transactions or investments in performing non-financial companies and intermediaries;
- Pharmacies, directly manages existing portfolio relationships with domestic pharmacy counterparties in close cooperation with the organisational units of the subsidiary Banca Credifarma;

- Insurance, dedicated to the insurance products offered to its customers;
- Leasing and Rental, dedicated to offering and managing leasing and renting products;
- Marketing & Business Strategy, supporting the business units reporting to the Co-General Manager Chief Commercial Officer (CCO);
- Tax Credit & Distressed Financing, dedicated to the following activities:
  - the purchase of tax credits from companies in insolvency proceedings, in voluntary liquidation and from performing companies;
  - affording financial support to companies, not already customers of the Banca Ifis Group, that are in a state of temporary financial strain but with prospects of continuity;
- Individuals, dedicated to the development of products, services and business opportunities related to transactional and funding banking services in relation to the Private customer segment;
- Anti-Fraud, dedicated to overseeing the transversal coordination of the Group structures that manage the offer of products to customers with respect to the execution of controls on the prevention and assessment of fraud attempts and the implementation of response actions.

Finally, at the reporting date the lending process include the operations of the following subsidiaries:

- Ifis Npl Investing S.p.A., company dedicated to the acquisition and transfer of non-performing loans (Npls), mainly originated by financial institutions and banks;
- Ifis Npl Servicing S.p.A., company specialising in the management of Npls and servicing and recovery activities on behalf of third parties;
- Cap.Ital.Fin. S.p.A., which provides salary- or pension-backed loans, payment delegation as well as salary or pension deductions and distributes financial products such as mortgages and personal loans;
- Banca Credifarma S.p.A., a banking operator mainly targeting the pharmacy and healthcare sectors and operating in the business of granting advances, medium- and long-term loans and financial services to pharmacies;
- Ifis Finance Sp. z o.o. and Ifis Finance I.F.N. S.A., factoring companies operating in Poland and Romania respectively;
- Ifis Rental Services S.r.l., an unregulated entity specialising in operating leases.

Ordinary credit organisational aspects

Each organisational unit develops and manages business relationships and opportunities in its respective segment by working together with the branches located throughout Italy, in accordance with the strategic guidelines and objectives set by the Board of Directors.

As for the lending process, each business unit identifies the opportunities for new transactions in accordance with the lending policies in force and the defined risk appetite; in this context, it examines loan applications and formalises a proposal to be submitted to the competent decision-making bodies, ensuring lending policies and controls are implemented correctly and analysing the applicant's creditworthiness in accordance with existing internal regulations.

The proposals to grant lines of credit and/or purchase receivables are submitted to the competent decision-making bodies, which, based on the powers delegated to them, express their decision - which always refers to the overall exposure towards the counterparty (or any related groups).

Banca Ifis's branches have no independent decision-making power for the purposes of assuming credit risk; branches manage ordinary operations with customers under the constant monitoring of the central structures in accordance with the limits and procedures established by the Head Office's competent bodies.

In carrying out their operations, the subsidiaries can independently take certain decisions within the operational and organisational limits defined by the Parent company Banca Ifis.

The line of credit is then finalised: the Bank finalises the agreement, obtains guarantees, if any, and grants the credit line. Throughout these stages, the business units are aided by specific supporting units responsible for preparing the agreement in accordance with the terms of the approval as well ensuring all activities leading to the granting of the credit facility are properly carried out.

The operational management of receivables, carried out for performing customers, mainly consists in the ordinary management and monitoring conducted by dedicated structures at each of the Group's companies with the aim of constantly and pro-actively reviewing borrowers. In addition, a specific organisational unit within the Parent Company performs monitoring activities at the Group level to identify counterparties with performance issues, so as to anticipate problems and provide adequate reporting to the competent corporate functions.

If the credit position is in an objective situation of distress, it is transferred to specific functions specialised in managing and recovering non-performing exposures.

Purchased impaired credit (POCI) organisational aspects

"Purchased or Originated Credit Impaired (POCI) Financial Assets" means the exposures that were non-performing at the date they were acquired or originated.

POCI financial assets include also the exposures acquired as part of sales (of either individual assets or portfolios) and business combinations.

Interest is accounted for by applying a credit-adjusted effective interest rate, i.e. the rate that, upon initial recognition, discounts all the asset's estimated future cash collections considering also lifetime expected credit losses (“ECL lifetime”).

The Bank regularly reviews said expected credit losses, recognising impairment losses or gains through profit or loss. Favourable changes in lifetime ECLs are recognised as an impairment gain, even if said lifetime ECLs are lower than those incorporated into cash flow estimates at initial recognition.

POCIs are conventionally presented at initial registration in Stage 3.

If, as a result of an improvement in the counterparty's credit standing, the POCI assets become "performing", they are allocated to Stage 2.

Such assets are never classified in Stage 1 because the expected credit loss must always be calculated considering a time horizon equal to the residual maturity (in other words, a "lifetime" horizon must always be maintained and not a 12-month horizon, as is the case for Stage 1 positions).

“Acquired impaired assets” include loans acquired by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing at values significantly lower than their nominal amount, as well as non-performing assets resulting from the various IFRS 3 business combinations carried out by the Banca Ifis Group (such as those relating to the former GE Capital Interbanca Group, the former Fbs Group, the companies Credifarma S.p.A., Cap.Ital.Fin. S.p.A., Farbanca S.p.A. and Revalea S.p.A. as well as the former Aigis Banca business). These non-performing assets are included within the POCI perimeter on the basis of the existence, for each individual relationship, of impaired credit quality at the time of the relative acquisition, as required by IFRS 9.

With reference to the process for the acquisition of non-performing loan portfolios (POCI) adopted by the structures of the Npl Segment, similar organisational stages are envisaged as for ordinary credit, which can be summarised as follows:

- origination: the Bank identifies the counterparties from which it plans to purchase the portfolios and assesses the economic expediency of said transactions;
- due diligence, as part of which highly-skilled analysts assess the quality of the portfolio being transferred and the relevant organisational impact. Once the due diligence is completed, the Group sets the terms and conditions for offering/acquiring the receivables portfolio and how to manage it (individual or collective method), assessing the relevant impact on operating structures;
- Approval: this stage includes the preparation of the file, the decision-making process, and the implementation of the approval by the competent decision-making body;

- finalisation: the parties prepare and finalise the purchase agreement, and the relevant consideration is paid.

Purchases are made directly by originators and/or SPVs (primary market) or, in some circumstances, by operators who have purchased on the primary market and who intend to dispose of their investment for various reasons (secondary market). Receivables - deriving from traditional consumer credit operations, credit cards and special purpose loans - are mainly unsecured; there are also current account balances in the event of transfers by banks.

Right after the acquisition, pending the completion of information retrieval operations to help decide the most appropriate debt recovery method, the receivable is classified in a so-called "staging" area and measured at cost with no contribution to profit or loss.

After this phase, which normally lasts 6-12 months, the positions are directed towards the form of management most appropriate to their characteristics (non-judicial and judicial operations), which carries out an activity closely related to the transformation into paying positions and the collection of receivables.

Collection operations for receivables deriving from purchases of distressed retail loans are the responsibility of resources within the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, as well as of a broad and proven network of debt collection companies and financial agents operating across Italy.

The non-judicial operations consist mainly in the activation of the credit through the debtor's subscription of bills of exchange or voluntary settlement plans; the judicial operations consist, instead, in the transformation through legal action aimed at obtaining from the court the garnishment order of one-fifth of the pension or salary (the existence of which is the necessary prerequisite for the start of this form of transformation) or the sale on the market of the asset to guarantee the credit (secured management). Specific information regarding these operations is provided below.

Finally, there is also an assessment of the expediency of selling non-performing loan (Npl) portfolios, mainly represented by processing codes, statute-barred loans or loans owned by deceased debtors, to be submitted for approval to the competent decision-making bodies, consistently with the established profitability targets and after analysing the relevant accounting, reporting, legal, and operational impacts. To do so, it relies on the in-depth inquiries conducted by the Parent Company's competent business functions within their area of expertise.

Non-judicial operations

As for the positions not eligible for judicial operations, after completing the groundwork for processing them, they are classified in a "collective" portfolio pending that the recovery process through call centres or recovery networks can culminate with a collection of settlement plans referred to above (in the form of a proposal/acceptance from customer to bank). At this stage, the positions are measured at amortised cost, calculated as the present value of expected cash flows determined on the basis of a proprietary statistical model developed by the Risk Management function on the basis of historical internal data, referred to as "curve model"; this model projects collection expectations onto clusters of homogeneous receivables based on the recovery profile historically observed (macro region, amount of credit, seniority of the file with respect to the DBT date, transferor), in addition to prudential adjustments, such as, by way of example, the cap of simulated cash flows for debtors who are older than the life expectancy present in the mortality tables provided by Istat. This method of valuing debt collection flows means that the expected collection profile is decreasing as time passes with respect to the date of purchase of the credit, until the asset value of the credit is reduced to zero when it reaches the tenth year from the date of purchase.

Expectations of collection also take into account the probability of obtaining a settlement plan net of the relative probability of default.

There are two types of settlement (collection) plans that can be entered into:

- bills of exchange: the set of credit positions for which the debtor has signed a settlement plan supported by the issue of bills of exchange. It should be noted that the volume of bills of exchange (internal collection) in the portfolio has been steadily decreasing, since, as a strategic choice, amicable plans with

this payment method are no longer collected. Any new collection is therefore exclusively the result of purchased paying practices;
- Demonstrations of Will: the practices for which the recovery process has led to the collection of a voluntary formalised settlement plan by the debtor.

The moment the position obtains a paying settlement plan ("active plans"), i.e. after having observed the payment of at least three times the value of the average instalment of the plan, the cash flows of the "curve model" are replaced by the cash flows of the "deterministic model", which projects the future instalments of the settlement plan agreed with the debtor net of the historically observed default rate and taking into account also in this case a cap to the simulated cash flows if the age of the debtor exceeds what is indicated in the mortality tables of Istat in relation to life expectancy.

Positions that do not obtain a paying settlement plan remain valued by means of the "curve model"; this means that as time passes, the probability of collection is reduced also by means of the plan and consequently the expected cash flows are reduced down until zeroing.

As already started in 2021, again in 2022, 2023 and 2024, management took part in a new closure method, known as "balance and write-off of positions", in order to anticipate recovery while granting a reduction in the amount due (write-off) to the debtor. This method of collection does not replace the methods described above, but involves certain campaigns on specific positions identified by management.

Models falling under this management mode are subject to validation by the function in charge of validating internal models.

Judicial operations

Positions that meet the requirements (presence of a job or a pension) for judicial processing are initiated in the relevant operations. This also includes (minority) practices that are processed in a logic of real estate attachment of property.

Judicial processing, understood as real estate enforcement action against third parties, is characterised by several legal steps aimed at obtaining an enforcement title, which as a whole usually last 18-24 months (the durations and the relative volatility depend on the court in which the case is handled) and are thus as follows:

- obtaining a court order,
- writ,
- attachment of property and
- garnishment order.

These positions are measured at amortised cost, calculated as the present value of expected cash flows determined on the basis of two proprietary models developed by the Risk Management function on the basis of historical internal data, referred to as “pre-garnishment order Legal Factory model” and “garnishment model”.

As regards the pre-garnishment order model, 2024 saw the start of re-estimation activities aimed at updating the time series, assessing relevant changes in processes to be taken into account in the definition of the scope, quantifying target variables (e.g. modules duration, migration probability, instalment, expenses, rate of potential aggravation) as well as fine-tuning the methodological framework (e.g. revision of the long list of each module, clustering techniques and quantification of estimates). Please note that this model is subject to validation by the function in charge of validating internal models.

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.

Finally, it should be noted that, in conjunction with the merger of Revalea S.p.A. into Ifis Npl Investing S.p.A., the models applied by the Group were also extended to the portfolio of the incorporated company. This extension did not have any significant impacts on the income statement for the financial year.

2.2 Management, measurement and control systems

Credit risk is constantly monitored by means of procedures and instruments that can rapidly identify particular anomalies.

Over time, the Banca Ifis Group has implemented instruments and procedures allowing to specifically evaluate and monitor risks for each type of customer and product.

If the applicant passes the evaluation process and is granted a credit facility, the Group starts monitoring the credit risk on an ongoing basis, ensuring repayments are made on time and the relationship remains regular, reviewing the information that the Italian banking system reports to the Central Credit Register or select databases as well as the reputational profile, and examining the underlying causes for each one of these aspects.

Concerning portfolio monitoring operations, as previously mentioned, receivables due from customers are monitored by specific units within the mentioned business units that are responsible for constantly and proactively reviewing borrowers (first line of defence); a specific organisational unit conducts additional monitoring at a centralised level, using mainly performance analysis models -- including models developed by the Parent's Risk Management function -- to identify any potential issues through specific early warning indicators.

Credit risk exposures to companies are assigned a rating based on models developed in-house. These models are differentiated by segment to ensure that appropriate models are applied on homogeneous population from the point of view of characteristics and risk level. There are therefore models for corporations, differentiated by two size clusters, and a model for partnerships and sole proprietorships. The rating models are composed of different modules that investigate different areas of information depending on the type of counterparty and are integrated with qualitative information of different nature.

The rating class represents a fundamental driver for the calculation of write-downs on performing loans; in addition to directly linking the expected loss to the specific risk level of the individual counterparty, rating models enable the activation of the quantitative stage allocation criterion, which, by comparing the riskiness at the time of granting and the current riskiness, makes it possible to assess the significant increase in risk and thus the Stage 2 allocation of the position. The framework for determining expected loss also includes satellite models functional to the introduction of forward-looking elements into the estimates of risk parameters in full compliance with the requirements of IFRS 9.

Risk Management plays a crucial role as part of the second line of defence in measuring and monitoring operations.

Concerning credit risks, the Risk Management function:

- oversees, monitors and assesses credit risks, carrying out audits and analysis in accordance with the relevant guidelines; specifically, it:
  - assesses credit quality, ensuring compliance with credit guidelines and strategies by continuously monitoring credit risk indicators;
  - constantly monitors exposure to credit risk and compliance with the operating limits assigned to the operating structures in relation to the assumption of credit risk;
  - verifies, by means of second-level controls, the correct implementation of performance monitoring on individual exposures, in particular on non-performing exposures, and assesses the consistency of classifications and the adequacy of provisions;
  - monitors exposure to concentration risk and the performance of exposures classified as "Large Exposures";
- performs quantitative analyses to support the business units in using risk measures;
- oversees the supervision of the value of collateral as well as personal and financial guarantees;
- analyses consistency with the Group's RAF in the areas of asset quality and credit cost.

The Banca Ifis Group pays particular attention to the concentration of credit risk with reference to all the Group's companies, both at an individual and consolidated level. Banca Ifis's Board of Directors has mandated the Top Management to take action to contain major risks. In line with the directives of the Board, those positions that are at risk and engage the Group to a considerable extent are subject to systematic monitoring.

Concerning the credit risk associated with investments in securities and equity, the Group constantly monitors their credit quality, and Parent Company Banca Ifis's Board of Directors and Top Management receive regular reports on this matter.

In the context of Basel 3 principles for calculating capital requirements against first-pillar credit risks, Banca Ifis chose to adopt the Standardised Approach. To calculate capital requirements for single-name concentration risk, which falls under second-pillar risks, the Group adopts the Granularity Adjustment method as per Annex B, Title III of Circular No. 285 of 17 December 2013, with a capital add-on calculated using the ABI method to measure geo-segmental concentration risk.

In order to assess its vulnerabilities in terms of capital and liquidity management, the Parent Company Banca Ifis has developed quantitative and qualitative techniques with which it assesses its exposure to exceptional but plausible events. These analyses, known as stress tests, measure the impact in terms of risk deriving from a combination of changes in economic-financial variables under adverse scenarios on the Bank and its subsidiaries. These analyses significantly concern credit risk.

The stress tests allow to assess the Group's resiliency by simulating and estimating the impact of adverse circumstances, providing crucial insights into its exposure to risks, the adequacy of the relevant mitigation and control systems, and it ability to deal with unexpected losses -- including in a forward-looking manner and in terms of planning. In order to perform stress tests, the Group has internally developed methodologies that allow, also by exploiting synergies with satellite models used under IFRS 9, to project asset quality in line with adverse macroeconomic scenarios and assess the impact in terms of various credit quality indicators, such as the incidence of impaired credit or the increase in loan adjustments.

For regulatory purposes, the Parent company Banca Ifis conducts stress tests when defining the Risk Appetite Framework (RAF) and preparing the Recovery Plan as well as the ICAAP and ILAAP report at least on an annual basis, as required by applicable prudential supervisory regulations. In this context, it assesses, among other things, the sustainability of lending strategies under adverse market conditions.

2.3 Measurement of expected credit losses

First of all, it should be noted that, with reference to the calculation of expected losses, during 2024, the process of revising and fine-tuning the models in use continued with the aim of more accurately reflecting the expected losses of unimpaired (performing) exposures, also as a result of the historical evidence available and the persistent uncertainties in the macroeconomic context of reference.

In particular, with regard to the models developed internally, the risk parameter estimates (PD and LGD) were updated both with regard to the Through the Cycle (hereinafter also TTC) component, by lengthening the time series, and with regard to the Point in Time (hereinafter also PIT) and Forward Looking (hereinafter also FL) components. With reference to the PD parameter, a model change was introduced in the way PIT and FL elements are included, whereby the first 3 annual nodes of the TTC PD curve are calibrated to Anchor Points calculated on the basis of an appropriate mix of historical and prospective information. During 2024, a new quantitative stage allocation model was developed (as described below) with the aim of strengthening estimates and improving alignment with IFRS 9. The new model was released into production at the quarterly close of 30 September 2024 and simultaneously validated by the function responsible for validating internal models, and the effects of this release on the Group's financial results were not significant.

Another change introduced concerns the macroeconomic scenarios underlying the forward-looking conditioning; at the end of the first half of the year and at year end, the scenarios were updated, the details of which are given later in this section, in order to allow the valuation of credits to be as compliant as possible with the accounting standard. The development and maintenance activities of the IFRS 9 impairment framework had no significant impact either in absolute terms or in terms of the level of portfolio coverage.

The expected loss defined on the basis of the model is supplemented with a series of managerial adjustments (so-called "post-model adjustments" or "overlays") in order to factor in certain valuation elements not adequately captured by the models in use.

Below is an explanation of the framework used by the Group to measure expected losses, including any changes made to the models and criteria applied for calculating expected losses as part of the ongoing model revision process are illustrated below, depending on the type of intervention (SICR valuation, estimation of forward-looking information, other model changes, and use of any management overlays).

According to IFRS 9, all financial assets not measured at fair value through profit or loss and other than the POCI, for which reference is made to the information given previously, represented by debt securities and loans, and off-balance sheet exposures (commitments and guarantees granted) must be subject to the impairment model based on expected losses (ECL - Expected Credit Losses).

The most significant aspects that characterise this approach, concern:

- the classification of loans into three different levels (or "Stages") to which different methods correspond for calculating the losses to be recorded; Stage 1 includes performing positions that have not undergone a significant increase in credit risk otherwise placed in Stage 2; Stage 3 includes all positions classified as non-performing, bad loans, unlikely-to-pay, non-performing past due in accordance with the criteria and rules specifically adopted by the Group;
- the calculation of the expected loss calculated at 12 months for Stage 1 or for the entire useful life of the credit (lifetime) for Stages 2 and 3;
- the requirement to use a Point-in-Time, rather than a Through-the-Cycle, approach for regulatory purposes;
- forecast information regarding the future dynamics of macroeconomic factors (forward looking) considered to have the potential to influence the debtor's situation.

In this context, the Group has adopted a method for determining the "significant" increase in credit risk with respect to the initial recognition date, which involves classifying the instruments in Stages 1 and 2, combining statistical (quantitative) and performance (qualitative) elements, as part of the estimate of impairment of performing loans. Please note that no probation period is applied for the exit of performing positions from Stage 2.

To identify the "significant" increase in credit risk, the Banca Ifis Group applies the following quantitative and qualitative transfer criteria to the loan portfolio according to the type of counterparty defined by segmenting receivables into portfolios:

- the only quantitative transfer criteria is what is termed “PD comparison” for which, in order to identify the "significant increase in credit risk" on exposures within rated portfolios, the Group used an approach backed by quantitative analyses, under which the exposure is allocated to Stage 2 if the change in the one-year PD between the origination and the measurement date exceeds a given threshold. The decision to use a 1-year PD comparison instead of a lifetime approach, also determined in consideration of the solution provided by the impairment engine's outsourcer, is supported by analyses that show a high correlation between the SICR metrics calculated from a lifetime perspective and those calculated from a 1-year perspective. This threshold is assigned on the basis of the origination rating (if available) and the type of product for each relationship and is represented by the change in PD by which the credit risk of the relationship is to be considered significantly increased. Therefore, if the PD variation between the origination and the reference date exceeds the threshold associated with the position, that position is allocated to Stage 2. The identification of the thresholds derives from a statistical approach involving the analysis of the 1-year PD distributions on homogeneous risk clusters in order to optimise the allocation to Stage 2 of counterparties that might show signs of deterioration and the return to Stage 1 of counterparties with a real improvement in internal rating;
- qualitative transfer criteria:

- "Rebuttable presumption – 30 days past due": IFRS 9 establishes that, regardless of how the entity assesses significant increases in credit risk, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The entity can rebut this presumption if it has reasonable and supportable information that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. However, the Ifis Group has not pursued this option;
- Forbearance: according to this criterion, a financial instrument is allocated to Stage 2 when the Group classifies the exposure as forborne;
- "Watchlist": the criterion envisages the transfer to Stage 2 of positions already under examination, as part of the process for defining especially risky positions during credit monitoring;
- "ECB Backstop": the criterion transfers to Stage 2 positions with PDs at the "reporting date" that are 200% higher than (“threefold”) at the "origination date" or with PDs at the "reporting date" that are 20% higher.

According to IFRS 9, an entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date, that is:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations;
- the lender expects, in the longer term, that adverse changes in economic and business conditions might reduce the ability of the borrower to fulfil its obligations.

The measurement of expected credit losses (ECLs) accounts for cash shortfalls, the probability of default (PD), and the time value of money. Specifically, the Group measures the loss allowance for the financial instrument as:

- expected losses within 12 months for positions that have not suffered a significant deterioration in creditworthiness (Stage 1); in other words, the Group estimates non-payments resulting from possible default events within the following 12 months, weighted by the probability that such events will occur;
- expected "Lifetime" losses for positions that have suffered a significant deterioration in creditworthiness (Stage 2); in this case, the Group estimates the cash shortfalls resulting from default events that are possible over the expected life of the financial instrument, weighted by the probability of that default occurring and discounted at the measurement date.

To ensure its collective impairment calculations are in the closest possible compliance with regulatory requirements, the Group has defined a specific methodological framework subject to backtesting at least annually as well as to validation by the function in charge of validating internal models. This involved developing quantitative methods and analyses based on proprietary datasets as well as qualitative methods and analyses to essentially model the following risk parameters and the methodological aspects relevant to the calculation of impairment under IFRS 9:

- estimation of the Probability of Default (PD), which expresses the probability of a default event occurring in the credit position over a given time frame. The estimation methodology involves using an appropriate estimator to calculate the Cumulative Default Rate (hereinafter also CDR), i.e. the historically observed probability of a default event occurring within a given time horizon. CDRs are then interpolated using an appropriate functional form;
- estimation of Loss Given Default (LGD), which expresses the estimated loss percentage in the event of default of the credit position. A "workout LGD" approach based on internal data was chosen; therefore, this parameter is defined on the basis of historical recovery evidence observed for each perimeter where possible;
- definition of Stage allocation transfer logic, which includes the recalibration of SICR thresholds;

- calculation of expected losses including point-in-time elements: the credit parameters are calibrated on a horizon that considers the entire economic cycle, therefore, in accordance with IFRS 9, a PIT (point-in-time) adjustment is necessary to reflect the current condition in the parameters;
- calculation of expected losses including forward-looking elements: the credit parameters are calibrated to a horizon that considers the entire economic cycle; therefore, in accordance with IFRS 9, it is necessary to include forward-looking elements to reflect expectations on the future development of the economic cycle.

In developing the above methods, the Group has considered multiple solutions, the current and prospective complexity of its portfolio, as well as how to maintain and update risk parameters.

The time series underlying the estimation of risk parameters are updated annually; calibrations involving the forward-looking scenarios are updated at least once a year on the basis of changes in the environment. As far as EAD is concerned, there is no internal modelling, and the value of EAD is equal to the carrying amount adjusted by the application of the credit conversion factor or CCF (Credit Conversion Factor) applied for the entire duration of the exposure.

Concerning the PD of exposures to banks, central governments, and public-sector entities (low default portfolios), the Group used default rates associated with migration matrices based on public information provided by the ratings agency Moody's or external providers.

LGD is estimated on historical proprietary evidence with the exception of a few residual transactions (due to the lack of sufficient objective historical data given the recent business or given the particular type of counterparty - i.e. banks, central governments and territorial entities) for which an industry LGD was used. The cash flows used in estimating LGD are discounted at the Effective Interest Rate (EIR).

In order to determine the risk parameters adopting a forward looking approach, the Group has adopted econometric models (based on the stress test framework - “satellite” models), aimed at forecasting the evolution of the institute’s risk factors (i.e. mainly PD and migrations between statuses for credit risk) on the basis of a joint forecast of the evolution of the economic and financial indicators (macroeconomic scenario). The satellite models used meet the need to identify the existence of a significant relationship between the general economic conditions (i.e. macroeconomic and financial variables) and a proxy variable of the risk factor (target variable) i.e. the credit rating of counterparties (which represents the respectively probability of default as a summary of the PD factor), which in its aggregate form at an institute level is represented by a careful calibration of the deterioration rates recorded by the Bank of Italy.

By exploiting the identified relationship between target variable and macroeconomic factors, it is therefore possible to obtain forecast values of deterioration rates by applying future projections of explanatory variables retrieved from external information providers, also used for institutional information purposes and by the Strategic Planning function under the scope of their activities. In compliance with IFRS 9, the Risk Management function employs macroeconomic scenarios describing two contexts characterised by increasing levels of forecast severity and criticality: a "baseline" scenario and an "adverse" scenario. These scenarios produce two different satellite model forecasts, making weighting necessary: for the current year, it was decided to balance the weights of the baseline and adverse scenarios in view of the uncertainty of the macroeconomic environment, which sees on the one hand, in the geopolitical context, one of the main factors of instability, and on the other, the possible onset of non-negligible risks connected with the evolution of the global economic activity.

The Risk management function has therefore included the forecasts defined by its satellite models in the structures at the end of the PD lifetime, exploiting the Merton framework. Indeed, the migration matrices between credit states of each perimeter were defined and, through the application of the macroeconomic shifts output by the satellite models, the stressed projections of the matrices were obtained, allowing the derivation of scaling factors calculated on the stressed default rates to be applied to the PD curves as per the defined methodology.

The satellite models developed for PD were also applied in a mirror-image manner to the Danger Rate, i.e. the migration between credit states, used in LGD, which in its point-in-time & forward-looking configuration gives a multi-period structure to LGD.

As for the securities portfolio, considering the methodological complexity associated with developing a dedicated model, the Group decided to use the calculation of impairment under IFRS 9 that the outsourcer of the computer system provides at consortium level (i.e. estimating risk parameters, calculating the Stage allocation and ECLs). Specifically, the formula used to calculate the impairment of the tranches allocated to Stage 1 and Stage 2 is consistent with the approach to credit exposures. The stage allocation of performing debt securities requires using an external rating of the issue or, if this is not available, the issuer; in short, the securities are allocated to the different stages based on specific transfer criteria associated with this type of portfolio. In the area of securities, in contrast to the loan portfolio, the "low credit risk exemption" is applied only to the portion of securities in the portfolio belonging to the investment grade category. Exposures are allocated to Stage 3 if credit risk has deteriorated to the point that the security is considered impaired, i.e. classified as non-performing, including in the case of financial instruments in default.

Measurement of expected losses (ECL)

With reference to the inclusion of Forward Looking factors feeding into the IFRS 9 provisioning process, through the use of satellite models, the Risk Management function in the fourth quarter of 2024 updated the macroeconomic scenarios by procuring them from an external info provider and comparing them with official sources.

The current macroeconomic environment incorporates both cautious optimism about the continuation of economic growth, with signs of lower inflation and an expectation of European monetary policy easing, and the repercussions of the uncertain geopolitical environment, with possible repercussions on global trade and commodity and energy prices. The Group adopts two scenarios to reflect the uncertainty of the macroeconomic environment:

- baseline scenario: this is the main reference scenario that envisages global economic activity growing but slowing down. Italy's moderate GDP growth driven by domestic demand also continued. Inflation is no longer considered the most pressing problem for the Italian economy. Energy price shocks have subsided, there is no wage-price spiral and inflation is no longer profit-driven. Fears of a recession and falling inflation accelerate the path of policy rate cuts. In addition to the geopolitical risks of the ongoing conflicts on Europe's borders, the situation of German industry, with its negative impact on the European economies and the Italian economy in particular, is a cause for concern;
- adverse scenario: this is the severe but plausible scenario according to which the global geopolitical situation is expected to worsen due to the escalation of conflicts. Oil prices soar due to the risks of naval blockades in the Persian Gulf, as well as transport being hindered in its transit, exacerbating the pressure on commodity prices. Inflation stops falling, remaining above central bank targets by slowing the path of normalisation of monetary policies in 2025. Growing uncertainty blocks investment decisions and curbs household spending in advanced countries. Italy is particularly exposed to the risk of higher interest rates, with a growing public debt to GDP ratio, and to the slowdown of German industry.

FINANCIAL INDICATORS FINANCIAL YEAR END (%)	Base case			Adverse scenario		
	2025	2026	2027	2025	2026	2027
Italian real GDP growth y/y	0,8%	0,7%	0,4%	0,1%	0,4%	0,3%
Italian unemployment	7,0%	6,8%	6,6%	7,3%	7,5%	7,5%
Euribor 3M	2,7%	2,5%	2,5%	2,9%	2,6%	2,5%
10-year BTP yield	4,0%	4,2%	4,6%	4,2%	4,6%	5,0%
Brent barrel oil price growth (reduction) y/y	(1,5)%	5,6%	1,3%	4,6%	5,2%	0,1%
Italian inflation	1,9%	2,0%	2,0%	2,3%	2,1%	2,0%

As regards the probability of occurrence of the scenarios, in line with what was done last year, the baseline scenario is characterised by a 60% probability of occurrence, while the adverse scenario by a 40% probability in order to reflect the uncertain macroeconomic context.

In order to provide information that enables a clear understanding of the elements of judgement used by management and their impact, sensitivity analyses were carried out. The inclusion of forward-looking factors for the measurement of expected losses is, in fact, a particularly complex exercise, as it requires the formulation of macroeconomic forecasts, the selection of scenarios and their relative probabilities of occurrence, and the definition of a model capable of expressing the relationship between the aforementioned macroeconomic factors and the deterioration rates of the exposures under assessment.

For this reason, in order to be able to appreciate the impact on expected losses resulting from the selection of different macroeconomic scenarios, and in compliance with the recommendations formulated by ESMA, most recently in its document of 13 May 2022, sensitivity analyses are provided below, in terms of ECL. These analyses were conducted by assigning a 100% weighting to each individual macroeconomic scenario ("baseline" and "adverse") with respect to the multi-scenario approach followed for the purpose of preparing these Financial statements.

The selection of a multi-factor sensitivity, obtained by varying several parameters simultaneously and implicit in the choice of considering alternative macroeconomic scenarios, is justified by the fact that there are innumerable interrelationships between the different macroeconomic factors such that a sensitivity analysis based on a single factor would be less representative (e.g. the change in GDP would be correlated with changes in many other macroeconomic variables).

The basis for sensitivity analyses is represented by expected losses (ECLs) on the Group's credit exposures to customers - cash loans and guarantees. In particular, this is the ECL determined on the basis of the models in use, and thus not including the post-model adjustments discussed below.

More specifically, the 100% "adverse" weighting would lead to an impact on the model ECL of approximately +0,5%, while the 100% "baseline" weighting would lead to an impact of approximately -0,3%.

The Covid-19-related health emergency in early March 2020 generated unprecedented impacts on global economic growth. This circumstance prompted intermediaries to consider possible impacts on credit risk produced by such extraordinary risk factors not adequately captured by the expected loss (ECL) calculation models in use. This, coupled with the need to capture expectations of a rapid deterioration in macroeconomic conditions from a forward-looking perspective, led the Group to introduce prudential adjustments ("management overlays") over time in the determination of expected losses (ECL); these adjustments were aimed in particular at capturing the risks associated with exposures to counterparties belonging to the most potentially vulnerable economic sectors.

After 2021, as a result of geopolitical tensions related to the Russia-Ukraine conflict and the conflict in the Middle East, the inflationary scenario and the slowdown in economic growth, the prudential adjustments applied and previously described were replaced and restated with the aim of factoring in the risks emerging from the macroeconomic context of reference. In particular, a number of new prudential adjustments were introduced to take into account the macroeconomic context strongly influenced by geopolitical tensions, the impact of rising energy prices, inflationary dynamics, and the significant increase in interest rates in order to intercept risk factors relating to counterparties belonging to sectors considered particularly exposed to new emerging risks; in particular, companies in the manufacturing, agricultural, transport and energy trading sectors. The approach and criteria used have been made progressively more analytical and consistent over time through refinements introduced to reflect the Group's improved perception of the evolution of related risks.

Consequently, as at 31 December 2023, the total amount of the described prudential adjustments (management overlay) was approximately 52,3 million Euro, almost equally divided between adjustments to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and adjustments to hedge adverse macroeconomic expectations, the quantifications of which are also supported by stress scenario and sensitivity analyses. As at 31 December 2023, an additional 12,8 million Euro of prudential adjustments had also been provided for to protect positions specifically identified to take into account their possible deterioration, which can be estimated in a reasonably short time horizon and is not captured by current models ("expert-based" valuations).

Prudential adjustments resulting from expert-based assessments were fully utilised in 2024 following the actual classification of specifically identified positions as impaired exposures. In addition, management overlays set aside to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macroeconomic expectations, were utilised against the deteriorating dynamics of the underlying portfolio clusters, as the risks against which these overlays were set up were deemed to have materialised. The total remaining amount of management overlays as at 31 December 2024 is therefore 25,2 million Euro.

Finally, as discussed in more detail in the section "Managing Climate Change Risks" in this Part E, a study was conducted on the effects of climate and environmental risks on credit risk, analysing the possible impacts that climate events could cause on risk parameters (PD and LGD) and consequently on the ECL of the performing portfolio. The analyses carried out showed that, with reference to the overall scenario of 2024 (weighted 60% as 'baseline' and 40% as 'adverse'), the impact of climate risks on the Banca Ifis Group's risk parameters (PD and LGD) is to be considered entirely marginal at the level of ECL increase. Notwithstanding the fact that the Group will continue in the near future to update analyses to assess climate risks and measure their impacts, given their negligible nature, in preparing the Annual Report as at 31 December 2024, these effects have not been incorporated into the determination of the ECL through risk parameter adjustments or a specific overlay.

Finally, with regard to the determination of expected losses on exposures classified in Stage 3 assessed analytically, the quantification of those losses is determined on the basis of collection forecasts, formulated by the servicer, in terms of forecast cash flow and maturities, discounted on the basis of the original effective interest rates and the relevant collection timeline. For Stage 3 exposures that are not individually tested for impairment, the Group defines a lifetime provision in line with the concept of expected credit loss. The LGD metric, defined in line with the metrics adopted for performing loans, is then applied to calculate the collective losses of Stage 3 exposures.

2.4 Credit risk mitigation techniques

Credit risk mitigation techniques include instruments that contribute to reducing the loss that the Group would incur in the event of counterparty default; specifically, they refer to guarantees received from customers, both collateral and personal, and to any contracts that may lead to a reduction in credit risk.

In general, as part of the process of granting and managing credit, for certain types of lines, the release by customers of suitable guarantees to reduce their risk is encouraged. They can be represented by:

- collateral encumbering assets, such as pledges on financial assets, mortgages on real estate (residential/non-residential); and/or
- personal guarantees (typically sureties) on a third party where the person (natural or legal) acts as guarantor of the customer's debt position in the event of insolvency.

In particular:

- as part of factoring operations, when the type and/or quality of factored receivables do not fully satisfy requirements or, more generally, the invoice seller is not sufficiently creditworthy, the bank's established practice is to hedge the credit risk assumed by the Group by obtaining additional surety bonds from the shareholders or directors of the invoice seller. As for the account debtors in factoring relationships, wherever the Bank believes that the elements available to assess the account debtor do not allow to properly measure/assume the related credit risk, or the proposed amount of risk exceeds the limits identified during the debtor’s assessment, the Bank adequately hedges the risk of default of the account debtor. Guarantees issued by correspondent factors and/or insurance policies underwritten with specialised operators are the main hedge against non-domestic account debtors in non-recourse operations;

- in loans to businesses, where possible, suitable guarantees are acquired from the Central Guarantee Fund or other companies coming under the public scope, such as SACE S.p.A.;
- in regard to Structured Finance, collateral is acquired according to the counterparty's standing as well as the term and type of the facility. Said collateral includes mortgage guarantees, liens on plant and equipment, pledges, surety bonds, credit insurance, and collateral deposits;
- as for finance leases, the credit risk is mitigated by the leased asset. The lessor maintains the ownership until the purchase option is exercised, ensuring a higher recovery rate in the event the client defaults;
- as for operations concerning distressed loans and purchases of tax receivables arising from insolvency proceedings, as well as the relevant business model, generally no action is implemented to hedge credit risks;
- salary-backed loans have low risk, considering the particular characteristics of this product: it requires having insurance against the customer's risk of death and/or loss of employment as well as imposing a lien on the severance indemnity earned by the customer as additional collateral for the loan.
- lending to pharmacies involves an advance as well as a transfer or debt collection mandate, with the possibility of deducting subsequent advances from existing credit facilities.

In line with that established by the Liquidity Decree (Italian Decree Law No. 23 of 8 April 2020), the Group has benefited from the guarantees offered by the state Guarantee Fund for the type of customer and loans envisaged by the Decree, with cover that can reach 100%. This guarantee enables a reduction in the RWAs relative to the credit risk, proportionally to the share of exposure covered by the Fund.

The acquired Npl portfolios include positions secured by mortgages on properties with a lower level of risk than the total portfolio acquired.

When calculating the overall credit limit for an individual customer and/or legal and economic group, the Bank considers specific criteria when weighing the different categories of risks and guarantees. Specifically, when measuring collateral, it applies prudential "spreads" differentiated by type of guarantee.

The Group continuously verifies the quality and adequacy of the guarantees acquired on the loan portfolio, with second level monitoring carried out by the Parent Company’s Risk Management function and carried out under the scope of the Single File Review (SFR).

3. Non-performing credit exposures

3.1 Management strategies and policies

The Group adopts a business model that has peculiar features compared to most other Italian banking institutions, which largely operate as general banks.

This peculiarity of the business is reflected in the processes and management structures, generating flows and stock dynamics that are reflected in assets and related indicators.

Nonetheless, the Parent Company believes that adopting "systemic" operational and structural ratios, and maintaining its indicators at the highest level of excellence, is a mark of quality and a value to be pursued as a specific goal in order to strengthen its corporate structure as well as improve its internal processes.

Among these, the quality of assets is a top priority that must be expressed both in the ability to provide credit, minimizing the risks of deterioration of exposures, and in the ability to manage non-performing exposures, optimising recovery performance in terms of amount and related timing.

In this sense, the Group's action is oriented in two directions:

- constant efforts to improve not only the processes for selecting and granting loans, but also the processes for managing performing loans, referring, where appropriate, to the commercial and/or selection policies of individual transactions, in order to contain the generation of non-performing loans in the best possible way;

- the definition of quantitative objectives (such as maximum limits) in terms of non-performing exposures as well as pre-established actions to be implemented according to appropriate application criteria and priorities, in order to ensure compliance with the established limits over time.

In managing these aspects, the Group must, however, necessarily take into account the different segments of business and related types of credit, classifying solutions and actions consistent with the specificities of the individual segments, in order to ensure the best result in terms of value protection and speed of solution.

In view of the above, the Group has maintained the following two indicators as performance indicators and explicit objectives to be pursued with careful and proactive management when updating its annual operating plan for the management of Npls, presented to the Bank of Italy in March 2024:

- "Gross Npe ratio", consisting of the ratio of "gross non-performing exposures" to "total receivables due from customers", excluding Npl Segment receivables and Government securities valued at amortised cost;
- "Net Npe ratio", consisting of the ratio of "non-performing exposures net of related adjustments" to "total receivables due from customers", excluding Npl Segment receivables and Government securities valued at amortised cost.

With reference to receivables due from customers for cash in place at 31 December 2024, excluding the positions stemming from the acquisition and management of non-performing exposures of third party originators managed by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, as well as the portfolios of retail loans, also in consideration of the uncertainty surrounding the global economic performance, the levels of Npe ratio are lower than those of the last Npl management plan defined early 2024. Regardless of the current outlook, the pursuit of the objective of a general limitation in the stock of non-performing loans remains and is expected to take place through a differentiated strategy in relation to the specificity of the individual portfolios concerned (taking into account the type of counterparty and the specificity of the individual products). In general, the action that will be taken is essentially based on the following goals, which it has been pursuing for some time now:

- containment of the default rate in order to reduce the inflow of non-performing positions by extending and strengthening the monitoring of lending aimed at anticipating, and possibly preventing, deterioration of positions;
- improvement of the "performing" rates of return through a more significant use of forbearance measures in relation to counterparties that show signs of financial difficulty;
- leveraging the expertise within the Banca Ifis Group at the reference date of the Financial Statements and the virtuous collection processes currently in place to maximise collection rates;
- reducing the stock of non-performing loans by considering selective sales of individual significant positions as well as applying existing write-off policies.

The non-performing positions or the performing positions that in any case present significant problems are handled directly by specific organisational units established at each company of the Group, which:

- assess the counterparty's willingness and ability to repay the debt in order to establish the most appropriate recovery strategy;
- manage judicial and non-judicial proceedings concerning debt collection operations;
- define potential modifications to the administrative status as well as the quantification of "doubtful individual outcomes" for the positions assigned to it, submitting them to the competent decision maker;
- monitor the amount of exposures classified as bad loans and the relevant debt collection operations.

3.2 Write-offs

As specified by IFRS 9, a total or partial write-off is an event that results in derecognition when there is no longer a reasonable expectation that the financial asset will be recovered. It may occur before the lawsuit for recovery of the financial asset has concluded and does not necessarily imply a waiver of the legal right to collect the debt.

A receivable is derecognised when it is considered unrecoverable and the Group forfeits the legal right to collect it. For instance, this occurs when insolvency proceedings are settled, the borrower dies without heirs, a court issues a final ruling that the debt does not exist, etc.

As for total or partial derecognition without a forfeiture of the right to collect the receivable, to avoid continuing to recognise receivables that, even though they are still managed by debt collection structures, are highly unlikely to be recovered, at least every half-year, the Bank identifies the exposures to be derecognised that have all specific characteristics defined for each product.

At the Group level, relationships to be subject to derecognition are identified which simultaneously present the following characteristics:

- the receivable has been written off;
- the receivable has been classified as a bad loan for more than 5 years;
- the counterparty has filed for bankruptcy, been put into administrative liquidation (LCA), or is subject to any insolvency proceedings.

The derecognition of bad debts is a good management practice. It allows structures to concentrate on receivables that are still recoverable, guarantees an adequate representation of the ratio between anomalous receivables and total receivables and ensures a correct representation of balance sheet assets.

At an organisational level, the operating methods used by the various Group structures to eliminate credit exposures and to report to Top Management are described in detail in the Group's credit monitoring and recovery policies.

3.3 Purchased or originated credit impaired financial assets

Organisational aspects

For organisational aspects relating to impaired financial assets acquired or originated, please refer to the specific paragraph above in subsection "2.1 Organisational aspects" of this "Section 2 - Prudential consolidation risks".

Quantitative information

Relative to the proprietary portfolio of Ifis Npl Investing S.p.A. (which also incorporates that of the former Revalea as a result of the merger in 2024), the residual nominal amount is 21.606 million Euro. At the time of purchase, the nominal amount of these receivables was approximately 23.334 million Euro, and they were acquired for 1.470 million Euro, i.e. an average price equal to 6,3% of the historical nominal amount. In 2024, 387 million Euro were acquired for 18 million Euro, i.e. an average price equal to 4,6%. The POCI outstanding portfolio has a weighted average ageing of 58 months compared to their original acquisition date.

As regards the individual phases of processing of Npl receivables, as described in paragraph "2.1 Organisational aspects" above in relation to credit risk, the carrying amount at 31 December 2024 of the positions in out-of-court management comes to 514 million Euro, whilst the carrying amount of the positions under legal management[49] comes to 981 million Euro.

Finally, Ifis Npl Investing seizes market opportunities in accordance with its business model by selling portfolios of positions yet to be processed to third parties. In 2024, 12 significant sales of portfolios were made to leading players operating in Npl purchases. Overall, receivables were sold with an amount of 3,695 million Euro, for an overall consideration of 48,6 million Euro.

4. Financial assets subject to business renegotiations and forborne exposures

Throughout the life of the financial assets, and specifically of receivables, the parties to the agreement subsequently agree to modify the original contractual terms. When, during the life of an instrument, the contractual

[49] *Legal management including garnishment actions with third parties, corporate positions, MIPOs and bankruptcy procedure.*

terms are modified, the Group shall assess whether the original asset must continue to be recognised (so-called "modification without derecognition") or, conversely, the original instrument must be derecognised and a new financial instrument recognised in its place.

Generally, modifications of a financial asset result in its derecognition and the recognition of a new asset when they are "substantial". The "substantiality" of the modification shall be assessed considering both qualitative and quantitative factors. In some cases, it will become apparent, without conducting complex analyses, that the changes introduced substantially modify the characteristics and/or contractual cash flows of a specific asset, whereas in other cases, additional analyses (including quantitative analyses) will be required to appreciate their impact and assess whether to derecognise the asset and recognise a new financial instrument.

The (quali-quantitative) analyses aimed at defining the "substantiality" of the contractual modifications made to a financial asset shall therefore consider:

- the purposes for which the modifications were made: for instance, renegotiations for business reasons and forbearance measures due to the counterparty's financial difficulties:
  - the former, intended to "retain" the customer, involve a borrower that is not in financial distress. This case includes all renegotiations aimed at adjusting the cost of debt to market conditions. These transactions result in changes to the original contractual terms, usually at the request of the borrower, that concern aspects associated with the cost of debt, giving rise to an economic benefit for the borrower. Generally, the Group believes that, whenever it enters into a renegotiation in order to avoid losing the client, this renegotiation shall be considered as substantial, since, in its absence, the customer could obtain financing from another intermediary and the Group would see estimated future revenue decline;
  - the latter, offered for "credit risk reasons" (forbearance measures), are part of the Group's attempt to maximise the recovery of the cash flows of the original receivable. Following the modifications, usually the underlying risks and rewards have not been substantially transferred: therefore, the accounting presentation that provides the most relevant information to users of the financial statements (expect for the following discussion about objective factors) is the one made through "modification accounting" - whereby the difference between the carrying amount and the present value of modified cash flows discounted at the original interest rate is recognised through profit or loss - rather than derecognition;
- the existence of specific objective factors affecting the substantial modifications of the characteristics and/or contractual cash flows of the financial instrument (including, but not limited to, the modification of the type of counterparty risk the entity is exposed to) that are believed to require derecognising the asset because of their impact (estimated to be significant) on the original contractual cash flows.

As at 31 December 2024, the impact on the Banca Ifis Group of trade renegotiations or concessions constituting "modification without derecognition" under IFRS 9 is essentially nil.

Quantitative information

A. Credit quality

A.1 Non-performing and performing credit exposures: amounts, impairment losses, trend, and economic breakdown

A.1.1 Prudential consolidation - Breakdown of financial assets by past due buckets (carrying amounts)

Portfolios/risk stages	Stage 1			Stage 2			Stage 3			Purchased or originated impaired		
	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days
1. Financial assets measured at amortised cost	50.011	1.022	685	13.737	39.607	87.800	10.211	11.396	86.344	10.730	431	1.502.156
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets under disposal	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**50.011**	**1.022**	**685**	**13.737**	**39.607**	**87.800**	**10.211**	**11.396**	**86.344**	**10.730**	**431**	**1.502.156**
Total 31.12.2023	**69.762**	**-**	**-**	**8.296**	**41.351**	**106.295**	**3.721**	**12.446**	**83.806**	**1.396**	**6.886**	**1.617.762**

A.1.2 Prudential consolidation - Financial assets, loan commitments and financial guarantees granted: overall impairment losses/reversals and overall provisions

Reason/Risk stage	Overall impairment losses/reversals																							Total provisions on loan commitments and financial guarantees granted				Tot.
	Stage 1 assets						Stage 2 assets						Stage 3 assets						Purchased or originated impaired financial assets									
	Due from banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Due from banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Due from banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and fin. guarantees issued impaired acquired or originated	
Opening balance of total impairment losses/reversals of impairment losses	**1.165**	**72.958**	**1.032**	**-**	**-**	***75.155***	**-**	**38.893**	**131**	**-**	**-**	***39.024***	**-**	**176.915**	**-**	**-**	***176.864***	***51***	**-**	**-**	**-**	**-**	**-**	**2.638**	**641**	**2.095**	**-**	**296.468**
Increases from purchased or originated financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	576	-	-	*576*	-	X	X	X	*X*	*X*	-	-	-	-	**576**
Derecognitions other than write-offs	(132)	(8.728)	(10)	-	-	*(8.870)*	-	(1.698)	-	-	-	*(1.698)*	-	(94.859)	-	-	*(94.859)*	-	(926)	-	-	*(554)*	*(372)*	(2.257)	(208)	(9.007)	-	**(117.825)**
Net credit risk losses/reversals (+/-)	(1.265)	(6.640)	(659)	-	-	*(8.564)*	-	(2.973)	176	-	-	*(2.797)*	-	42.925	-	-	*42.527*	*398*	(294.798)	-	-	*(273.268)*	*(21.530)*	(1.006)	111	1.143	-	**(262.986)**
Contractual modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Write-offs not recognised directly through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	(14.565)	-	-	*(14.565)*	-	(1.266)	-	-	-	*(1.266)*	-	-	-	-	**(15.831)**
Other changes	1.206	(12.320)	-	-	-	*(11.114)*	-	(7.927)	11	-	-	*(7.916)*	-	92.525	-	-	*91.936*	*589*	296.990	-	-	*273.822*	*23.168*	2.984	(48)	8.136	-	**381.557**
Closing balance of total impairment losses/reversals of impairment losses	**974**	**45.270**	**363**	**-**	**-**	***46.607***	**-**	**26.295**	**318**	**-**	**-**	***26.613***	**-**	**203.517**	**-**	**-**	***202.479***	***1.038***	**-**	**-**	**-**	**-**	**-**	**2.359**	**496**	**2.367**	**-**	**281.959**
Reversals from collections on financial assets written off	-	-	-	-	-	-	-	-	-	-	-	-	-	860	-	-	*860*	-	-	-	-	-	-	-	-	-	-	**860**
Write-offs recognised directly through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.670)	-	-	*(10.670)*	-	(161.173)	-	-	*(161.173)*	-	-	-	-	-	**(171.843)**

A.1.3 Prudential consolidation - Financial assets, loan commitments and financial guarantees granted: transfers between different credit risk stages (gross and nominal amounts)

Portfolios/risk stages	Gross amounts/nominal amount					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 to Stage 3	From Stage 3 to Stage 2	From Stage 1 to Stage 3	From Stage 3 to Stage 1
1. Financial assets measured at amortised cost	364.598	262.842	44.226	41.897	107.170	38.852
2. Financial assets measured at fair value through other comprehensive income	1.980	-	-	-	-	-
3. Financial assets under disposal	-	-	-	-	-	-
4. Loan commitments and financial guarantees granted	28.636	20.946	757	5.037	4.415	11.371
Total 31.12.2024	**395.214**	**283.788**	**44.983**	**46.934**	**111.585**	**50.223**
Total 31.12.2023	**438.353**	**272.362**	**38.733**	**32.265**	**87.553**	**46.338**

A.1.4 Prudential consolidation - On- and off-balance-sheet credit exposures to banks: gross and net amounts

Types of exposures/Amounts	Gross exposure					Overall impairment losses/reversals and overall allocations					Net exposure	Overall partial write-offs
		Stage 1	Stage 2	Stage 3	Impaired acquired or originated		Stage 1	Stage 2	Stage 3	Impaired acquired or originated		
A. On-balance-sheet credit exposures												
A.1 On demand	**499.932**	**499.932**	**-**	**-**	**-**	**974**	**974**	**-**	**-**	**-**	**498.958**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	499.932	499.932	-	X	-	974	974	-	X	-	498.958	-
A.2 Other	**737.939**	**736.920**	**1.019**	**-**	**-**	**780**	**778**	**3**	**-**	**-**	**737.159**	**-**
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- *of which forborne exposures*	-	*X*	-	-	-	-	*X*	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- *of which forborne exposures*	-	*X*	-	-	-	-	*X*	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- *of which forborne exposures*	-	*X*	-	-	-	-	*X*	-	-	-	-	-
d) Performing past due exposures	309	293	16	X	-	-	-	-	X	-	309	-
- *of which forborne exposures*	-	-	-	*X*	-	-	-	-	*X*	-	-	-
e) Other performing exposures	737.630	736.627	1.003	X	-	780	778	3	X	-	736.850	-
- *of which forborne exposures*	-	-	-	*X*	-	-	-	-	*X*	-	-	-
Total (A)	**1.237.871**	**1.236.852**	**1.019**	**-**	**-**	**1.754**	**1.752**	**3**	**-**	**-**	**1.236.117**	**-**
B. Off-balance-sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	715.838	14.037	-	X	-	-	-	-	X	-	715.838	-
Total (B)	**715.838**	**14.037**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**715.838**	**-**
Total (A+B)	**1.953.709**	**1.250.889**	**1.019**	**-**	**-**	**1.754**	**1.752**	**3**	**-**	**-**	**1.951.955**	**-**

"On-demand" credit exposures include on-demand loans to banks classified under "Cash and cash equivalents".

On-balance-sheet exposures include all on-balance-sheet financial assets due from customers regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive Income, designated at fair value, mandatorily measured at fair value, under disposal).

A.1.5 Prudential consolidation - On- and off-balance-sheet credit exposures to customers: gross and net amounts

Types of exposures/Amounts	Gross exposure					Overall impairment losses/reversals and overall allocations					Net exposure	Overall partial write-offs
		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
A. On-balance-sheet credit exposures												
a) Bad loans	1.308.906	X	-	121.474	1.187.432	89.888	X	-	89.888	-	1.219.018	12.219
- of which forborne exposures	*240.179*	*X*	-	*2.339*	*237.840*	*1.829*	*X*	-	*1.829*	-	*238.350*	-
b) Unlikely to pay	547.718	X	-	230.404	316.119	107.128	X	-	107.128	-	440.590	-
- of which forborne exposures	*107.649*	*X*	-	*30.050*	*77.599*	*11.978*	*X*	-	*11.978*	-	*95.671*	-
c) Non-performing past due exposures	67.179	X	-	62.617	4.562	6.501	X	-	6.501	-	60.678	-
- of which forborne exposures	*2.538*	*X*	-	*2.454*	*83*	*773*	*X*	-	*773*	-	*1.765*	-
d) Performing past due exposures	206.915	51.595	144.080	X	11.241	3.120	169	2.951	X	-	203.795	-
- of which forborne exposures	*2.130*	-	*1.550*	*X*	*580*	*60*	-	*60*	*X*	-	*2.070*	-
e) Other performing exposures	9.318.766	8.782.904	453.241	X	13.567	67.717	44.705	23.012	X	-	9.251.049	-
- of which forborne exposures	*67.004*	-	*60.536*	*X*	*6.468*	*8.934*	-	*8.934*	*X*	-	*58.070*	-
Total (A)	**11.449.484**	**8.834.499**	**597.321**	**414.495**	**1.532.921**	**274.354**	**44.874**	**25.963**	**203.517**	**-**	**11.175.130**	**12.219**
B. Off-balance-sheet credit exposures												
a) Non-performing	24.608	X	-	24.608	-	2.629	X	-	2.629	-	21.979	-
b) Performing	2.395.356	1.283.434	54.011	X	-	2.930	2.404	526	X	-	2.392.426	-
Total (B)	**2.419.964**	**1.283.434**	**54.011**	**24.608**	**-**	**5.559**	**2.404**	**526**	**2.629**	**-**	**2.414.405**	**-**
Total (A+B)	**13.869.448**	**10.117.933**	**651.332**	**439.103**	**1.532.921**	**279.913**	**47.278**	**26.489**	**206.146**	**-**	**13.589.535**	**12.219**

On-balance-sheet exposures include all on-balance-sheet financial assets due from customers regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive Income, designated at fair value, mandatorily measured at fair value, under disposal).

A.1.6 Prudential consolidation - On-balance-sheet credit exposures to banks: trends in gross non-performing exposures

There are no impaired cash credit exposures to banks in these Consolidated Financial Statements.

A.1.7 Prudential consolidation - On-balance-sheet credit exposures to customers: trends in gross non-performing exposures

Reason/Categories	Bad loans	Unlikely to pay	Non-performing past due exposures
A. Opening gross exposure	**1.388.865**	**532.628**	**117.079**
- of which: transferred and not derecognised	*455.830*	*125.974*	*3.801*
B. Increases	**687.326**	**541.656**	**162.467**
B.1 income from performing exposures	2.557	148.434	80.354
B.2 income from financial assets purchased or originated impaired	16.486	11.505	181
B.3 transfers from other categories of exposures	50.828	39.888	57
B.4 contractual modifications without derecognition	-	-	-
B.5 other increases	617.455	341.829	81.875
C. Decreases	**767.285**	**526.566**	**212.367**
C.1 outflows to performing exposures	750	11.228	38.755
C.2 write-offs	9.367	6.458	6
C.3 collections	303.876	135.832	6.667
C.4 proceeds from sales	26.789	22.290	41
C.5 losses on sale	49.341	2.120	2
C.6 transfers to other categories of exposures	1.476	50.635	38.662
C.7 contractual modifications without derecognition	-	-	-
C.8 other decreases	375.686	298.003	128.234
D. Closing gross exposure	**1.308.906**	**547.718**	**67.179**
- of which: transferred and not derecognised	*393.000*	*106.070*	*4.334*

On-balance-sheet exposures include all on-balance-sheet financial assets due from customers regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive Income, designated at fair value, mandatorily measured at fair value, under disposal).

A.1.7bis Prudential consolidation - On-balance-sheet credit exposures to customers: trends in gross forborne exposures broken down by credit quality

Reason/Categories	Forborne exposures: non-performing	Forborne exposures: performing
A. Opening gross exposure	**311.090**	**89.809**
- of which: transferred and not derecognised	*764*	*231*
B. Increases	**330.362**	**51.156**
B.1 inflows from non-forborne performing exposures	190	20.678
B.2 inflows from forborne performing exposures	9.250	X
B.3 inflows from non-performing forborne exposure	X	8.101
B.4 inflows from non-forborne non-performing exposures	63.291	285
B.5 other increases	257.631	22.092
C. Decreases	**291.086**	**71.831**
C.1 outflows to non-forborne performing exposures	X	35.430
C.2 outflows to forborne performing exposures	8.101	X
C.3 outflows to non-performing forborne exposures	X	9.250
C.4 write-offs	44	-
C.5 collections	133.800	9.741
C.6 proceeds from sales	15.214	-
C.7 losses on sale	4.428	-
C.8 other decreases	129.499	17.410
D. Closing gross exposure	**350.366**	**69.134**
- of which: transferred and not derecognised	*856*	*202*

A.1.8 Prudential consolidation - On-balance-sheet non-performing exposures to banks: trends in overall impairment losses/reversals

There are no impaired cash credit exposures to banks in these Consolidated Financial Statements.

A.1.9 Prudential consolidation - On-balance-sheet non-performing exposures to customers: trends in overall impairment losses/reversals

Reason/Categories	Bad loans		Unlikely to pay		Non-performing past due exposures	
	Total	*of which: forborne exposures*	Total	*of which: forborne exposures*	Total	*of which: forborne exposures*
A. Opening balance of total impairment losses/reversals of impairment losses	**88.502**	***5.216***	**84.117**	***16.706***	**7.927**	***630***
- of which: transferred and not derecognised	*753*	*6*	*2.175*	*294*	*459*	*48*
B. Increases	**42.224**	***84***	**66.590**	***4.327***	**5.218**	***1.201***
B.1 impairment losses/reversals from purchased or originated impaired financial assets	126	*X*	374	*X*	76	*X*
B.2. other impairment losses	21.906	*64*	42.416	*3.549*	3.953	*447*
B.3 losses on sale	225	-	331	-	-	-
B.4 transfers from other categories of non-performing exposures	1.031	*20*	1.744	*671*	37	-
B.5 contractual modifications without derecognitions	-	-	-	-	-	-
B.6 other increases	18.936	-	21.725	*107*	1.152	*754*
C. Decreases	**40.838**	***3.471***	**43.579**	***9.055***	**6.644**	***1.058***
C.1 reversals of impairment losses from measurement	23.427	*1.214*	15.749	*5.919*	2.315	*364*
C.2 impairment reversals from collection	3.504	*57*	3.639	*1.764*	108	*3*
C.3 gains on disposal	211	*1*	13	-	-	-
C.4 write-offs	9.367	*44*	6.458	-	6	-
C.5 transfers to other categories of non-performing exposures	-	-	992	-	1.820	*691*
C.6 contractual modifications without derecognitions	-	-	-	-	-	-
C.7 other decreases	4.329	*2.155*	16.728	*1.372*	2.395	-
D. Closing balance of total impairment losses/reversals of impairment losses	**89.888**	***1.829***	**107.128**	***11.978***	**6.501**	***773***
- of which: transferred and not derecognised	*1.187*	*2*	*3.068*	*121*	*564*	*14*

A.2 Classification of exposures based on external and internal ratings

A.2.1 Prudential consolidation - Breakdown of financial assets, loan commitments and financial guarantees granted by external rating class (gross amounts)

For the purposes of calculating capital requirements against credit risk, Banca Ifis uses the external credit assessment institution (ECAI) Fitch Ratings exclusively for the positions recognised under "Exposures to Central Governments and Central Banks" and under "Exposures to Institutions". Banca Ifis also uses the ECAI Cerved rating for corporate counterparties, having certain specific characteristics of size and use, in order to calculate capital absorption for supervisory purposes. These positions are included in the "Exposure to Companies" classes.

No external ratings are used for other asset classes.

A.2.2 Prudential consolidation - Breakdown of financial assets, loan commitments and financial guarantees granted by internal rating class (gross amounts)

The Banca Ifis Group does not use internal ratings for the purposes of calculating capital absorption. The Group has implemented a managerial internal ratings system on the corporate segments. This has been developed on proprietary databases and has the following components:

- a "financial" module, to assess the company's operating/financial soundness;
- a "central credit register" module, presenting the evolution of counterparty risk vis-à-vis the banking industry;
- an "internal performance" module, monitoring the performance of the relationships between the counterparty and the Group;
- a "socio-demographic" module aimed at assessing the risk profile on the basis of biographical information.

These models are differentiated by segment to ensure that appropriate models are applied on homogeneous population from the point of view of characteristics and risk level. There are therefore models for corporations, differentiated by two size clusters, and a model for partnerships and sole proprietorships.

During FY 2024, projects were completed for the implementation of a rating model aimed at assessing the creditworthiness of counterparties pertaining to the subsidiary Banca Credifarma, through the extension of the Parent Company's rating models to Banca Credifarma so as to ensure coverage and conservatism in terms of write-downs and risk control.

A.3 Breakdown of guaranteed credit exposures by guarantee type

A.3.1 Prudential consolidation - Guaranteed on- and off-balance-sheet credit exposures to banks

	Gross exposure	Net exposure	Collateral guarantees (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Property - mortgages	Property - lease financing	Securities	Other collateral	CLN	Central counterparties	Banks	Other financial corporations	Other entities	General governments	Banks	Other financial corporations	Other entities	
1. Guaranteed on-balance-sheet credit exposures:	**25.477**	**25.459**	**-**	**-**	**25.181**	**278**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25.459**
1.1 totally guaranteed	25.477	25.459	-	-	25.181	278	-	-	-	-	-	-	-	-	-	25.459
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Guaranteed off-balance-sheet credit exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.3.2 Prudential consolidation - Guaranteed on- and off-balance-sheet credit exposures to customers

	Gross exposure	Net exposure	Collateral guarantees (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Property - mortgages	Property - lease financing	Securities	Other collateral	CLN	Central counterparties	Banks	Other financial corporations	Other entities	General governments	Banks	Other financial corporations	Other entities	
1. Guaranteed on-balance-sheet credit exposures:	**3.807.362**	**3.688.191**	**381.479**	**-**	**153.141**	**1.771.116**	**-**	**-**	**-**	**-**	**-**	**655.627**	**1.020**	**44.556**	**415.473**	**3.422.412**
1.1 totally guaranteed	2.783.901	2.708.693	329.515	-	153.141	1.669.780	-	-	-	-	-	113.467	1.020	44.511	396.773	2.708.207
- of which non-performing	*240.723*	*186.972*	*71.705*	-	-	*35.997*	-	-	-	-	-	*14.354*	-	*118*	*64.798*	*186.972*
1.2 partially guaranteed	1.023.461	979.498	51.964	-	-	101.336	-	-	-	-	-	542.160	-	45	18.700	714.205
- of which non-performing	*95.850*	*67.264*	*3.555*	-	-	*1.607*	-	-	-	-	-	*53.730*	-	-	*2.743*	*61.635*
2. Guaranteed off-balance-sheet credit exposures:	**56.308**	**56.250**	**127**	**-**	**-**	**10.271**	**-**	**-**	**-**	**-**	**-**	**92**	**-**	**925**	**29.113**	**40.528**
2.1 totally guaranteed	39.269	39.213	127	-	-	9.488	-	-	-	-	-	12	-	925	28.180	38.732
- of which non-performing	*585*	*580*	-	-	-	-	-	-	-	-	-	-	-	-	*491*	*491*
2.2 partially guaranteed	17.039	17.037	-	-	-	783	-	-	-	-	-	80	-	-	933	1.796
- of which non-performing	*2.616*	*2.616*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.4 Prudent consolidation - Financial and non-financial assets through the enforcement of guarantees received

As at 31 December 2024, the Banca Ifis Group does not have any cases referred to in the disclosure in this paragraph.

B. Concentration and distribution of credit exposures

B.1 Prudential Consolidation - Breakdown of on- and off-balance-sheet credit exposures to customers by segment

Exposures/ Counterparties	General governments		Financial companies		*Financial companies (of which: insurance companies)*		Non-financial corporations		Households	
	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	*Net exposure*	*Overall impairment losses/reversals*	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. On-balance-sheet credit exposures										
A.1 Bad loans	59	428	1.161	303	-	-	162.345	83.657	1.055.453	5.500
- of which forborne exposures	-	-	*98*	-	-	-	*12.001*	*1.526*	*226.251*	*303*
A.2 Unlikely to pay	9.806	1.842	3.498	1.058	-	-	118.510	95.156	308.776	9.072
- of which forborne exposures	-	-	*44*	*22*	-	-	*14.491*	*9.764*	*81.136*	*2.192*
A.3 Non-performing past due exposures	21.098	65	-	-	-	-	21.413	2.853	18.167	3.583
- of which forborne exposures	*51*	-	-	-	-	-	*121*	*25*	*1.593*	*748*
A.4 Performing exposures	2.309.153	2.495	838.499	5.418	*1.899*	7	5.586.304	57.415	720.888	5.509
- of which forborne exposures	-	-	*3.770*	*244*	-	-	*47.231*	*8.449*	*9.139*	*301*
Total (A)	**2.340.116**	**4.830**	**843.158**	**6.779**	***1.899***	***7***	**5.888.572**	**239.081**	**2.103.284**	**23.664**
B. Off-balance-sheet credit exposures										
B.1 Non-performing exposures	-	-	2.616	-	-	-	17.054	2.624	2.309	5
B.2 Performing exposures	-	-	174.536	1.176	-	-	1.029.284	1.698	149.076	56
Total (B)	**-**	**-**	**177.152**	**1.176**	***-***	***-***	**1.046.338**	**4.322**	**151.385**	**61**
Total (A+B) 31.12.2024	**2.340.116**	**4.830**	**1.020.310**	**7.955**	***1.899***	***7***	**6.934.910**	**243.403**	**2.254.669**	**23.725**
Total (A+B) 31.12.2023	**2.462.459**	**4.750**	**856.919**	**14.495**	***832***	***4***	**7.293.322**	**248.283**	**2.379.523**	**25.268**

B.2 Prudential consolidation - Geographical breakdown of on- and off-balance-sheet credit exposures to customers

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the World	
	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. On-balance-sheet credit exposures										
A.1 Bad loans	1.218.701	89.885	302	3	7	-	1	-	7	-
A.2 Unlikely to pay	439.810	106.898	778	230	2	-	-	-	-	-
A.3 Non-performing past due exposures	59.459	6.359	1.077	130	-	-	-	-	142	12
A.4 Performing exposures	8.599.357	66.661	822.718	4.041	18.649	77	11.484	45	2.636	13
Total (A)	**10.317.327**	**269.803**	**824.875**	**4.404**	**18.658**	**77**	**11.485**	**45**	**2.785**	**25**
B. Off-balance-sheet credit exposures										
B.1 Non-performing exposures	21.577	2.628	402	1	-	-	-	-	-	-
B.2 Performing exposures	1.213.544	2.834	134.528	96	4.162	-	537	-	125	-
Total (B)	**1.235.121**	**5.462**	**134.930**	**97**	**4.162**	**-**	**537**	**-**	**125**	**-**
Total (A+B) 31.12.2024	**11.552.448**	**275.265**	**959.805**	**4.501**	**22.820**	**77**	**12.022**	**45**	**2.910**	**25**
Total (A+B) 31.12.2023	**12.209.452**	**289.259**	**683.176**	**7.000**	**65.905**	**668**	**14.933**	**308**	**18.757**	**86**

B.3 Prudential consolidation - Geographical breakdown of on- and off-balance-sheet credit exposures to banks

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the World	
	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. On-balance-sheet credit exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	997.206	1.477	238.911	402	-	-	-	-	-	-
Total (A)	**997.206**	**1.477**	**238.911**	**402**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance-sheet credit exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	16.537	-	16.846	-	-	-	-	-	-	-
Total (B)	**16.537**	**-**	**16.846**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31.12.2024	**1.013.743**	**1.477**	**255.757**	**402**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31.12.2023	**2.225.745**	**2.223**	**235.312**	**554**	**-**	**-**	**-**	**-**	**-**	**-**

B.4 Large exposures

		31.12.2024	31.12.2023
a)	Amount (carrying amount)	5.919.143	5.616.690
b)	Amount (weighted value)	1.125.186	1.132.447
c)	Number	10	10

The overall weighted amount of Large exposures at the weighted amount at 31 December 2024, comprising 10 positions, mainly consists, at a weighted value level, of 171,9 million Euro in tax assets, 226,1 million Euro in exposure to counterparties not included in the prudential scope of consolidation and the remaining 727,3 million Euro in positions vs supervised intermediaries, mainly relating to cash and equivalents, reverse repurchase agreements and derivatives.

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 December 2024 the carrying amount of sovereign debt exposures is 2.059 million Euro, net of the negative valuation reserve of 15,9 million Euro.

These securities, with a nominal amount of 2.122 million Euro have a weighted residual average life of 67 months.

The fair values used to measure the exposures to sovereign debt securities at 31 December 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 December 2024 amount to 281 million Euro, of which 73 million Euro related to tax credits.

C. Securitisation transactions

This section does not include securitisation transactions in which the originator is a bank belonging to the same prudential group and the total liabilities issued (e.g. ABS securities, loans during the warehousing phase, etc.) by the vehicle companies are subscribed at the time of issue by one or more companies belonging to the same prudential group. In other words, self-securitisations fully subscribed by companies belonging to the Banca Ifis Group's prudential consolidation, such as those of the vehicle Ifis NPL 2021-1 SPV S.r.l., are discussed in a later section to which reference should be made.

Qualitative information

The Banca Ifis Group has prepared a "Group Policy for the Management of Securitisation Transactions in the Role of Originator/Promoter/Investor", with which it regulates the process of managing securitisation transactions in the event that it intervenes in the role of "originator" (i.e. a party that participated in the original contract that created the obligations that originated the securitised exposures or that acquired the exposures of a third party and subsequently proceeds to their securitisation) of "investor" (i.e. a person underwriting the securities) or "sponsor" (i.e. a person structuring the transaction as defined in Art. 2 of EU Regulation 2017/2402). For each potential case, the policy sets out the responsibilities of the organisational units and corporate bodies, with reference to both the due diligence process and the ongoing monitoring of the transaction.

Outstanding securitisation transactions at 31 December 2024 are listed below.

Ifis ABCP Programme securitisation

In 2016, Banca Ifis launched a three-year revolving securitisation of trade receivables due from account debtors. After Banca Ifis (originator) initially reassigned the receivables for 1.254,3 million Euro, in 2018, the vehicle named Ifis ABCP Programme S.r.l. issued 850 million Euro, increased to 1.000 million Euro, worth of senior notes subscribed for by the investment vehicles owned by the banks that co-arranged the transaction, simultaneously with the two-year extension of the revolving period. An additional tranche of senior notes, with a maximum nominal amount of 150 million Euro, initially issued for 19,2 million Euro, and that was subsequently adjusted based on the composition of the assigned portfolio, was subscribed for by Banca Ifis. In 2019, this portion was first partially repaid by the vehicle, then sold to a third-party bank for a total residual value of 98,9 million Euro. The difference between the value of the receivables portfolios and the senior notes issued represents the credit granted to the notes' bearers, which consists in a deferred purchase price.

At the end of June 2024, this securitisation was restructured to a value of 1,2 billion Euro. This restructuring has led Banca Ifis, which assumed the role of Lead-Arranger and Calculation Agent, to improve the economic conditions of the securitisation and to enlarge the investor base from six to eight institutions. The banks already involved in the project were joined by Cassa Depositi e Prestiti (CDP), whose commitment aims to provide new finance to SMEs, and Natixis CIB, the latter also assuming the role of co-arranger. Overall, the restructuring involved maintaining the current structural features, net of the extension of the revolving period for a period of 24 months, the extension of the final maturity date of the securities and a revision of the economic conditions applied. The securities of the securitisation are today listed on the ExtraMOT PRO segment of Borsa Italiana. This restructuring transaction did not have any impact on the Banca Ifis Group's economic and equity position.

Banca Ifis acts as servicer, performing the following tasks:

- following collection operations and monitoring cash flows on a daily basis;
- reconciling the closing balance at every cut-off date;
- verifying, completing and submitting the service report with the information on the securitised portfolio requested by the vehicle and the banks at every cut-off date.

As part of the securitisation programme, the Bank sends the amount it collects to the vehicle on a daily basis, while the new portfolio is assigned approximately six times each month; this ensures a short time lapse between the outflows from the Bank and the inflows associated with the payment of the new assignments.

Only part of the securitised receivables due from account debtors are recognised as assets - especially for the portion that the Bank has purchased outright, resulting in the transfer of all risks and rewards to the buyer. Therefore, the tables in the quantitative disclosure show only this portion of the portfolio.

In compliance with IAS/IFRS accounting standards, currently the securitisation process does not involve the substantial transfer of all risks and rewards, as it does not meet derecognition requirements. In addition, the vehicle Ifis ABCP Programme S.r.l. was consolidated because, following an analysis of the requirements set forth in IFRS 10, it was found to be subject to the control of Banca Ifis (for further details, see "Section 3 - Scope and methods of consolidation" of the paragraph “A.1 - General part” of "Part A - Accounting policies" of these Notes to the Consolidated Financial Statements).

The maximum theoretical loss for Banca Ifis is represented by the losses that could potentially arise within the portfolio of assigned receivables, and the impact would be the same as if the securitisation programme did not exist; therefore, the securitisation has been accounted for as follows:

- the securitised receivables purchased outright were recognised under "receivables due from customers", subitem "factoring";
- the funds raised from the issue of senior notes subscribed for by third parties were recognised under "debt securities issued” of the balance sheet liabilities;
- the interest on the receivables was recognised under the same item of the income statement "interest receivable and similar income";
- the interest on the notes was recognised under "interest due and similar expenses", sub-item "debt securities issued";
- the arrangement fees were fully recognised in profit or loss in the year in which the programme was launched.

Emma securitisation

The securitisation transaction called Emma, prepared by the former Farbanca (now renamed Banca Credifarma following the merger by incorporation of the former Credifarma in April 2022), became part of the Banca Ifis Group as a result of the acquisition of control of this company during 2020.

In March 2018, the former Farbanca autonomously completed this securitisation for a total nominal amount of 460 million Euro. The loan portfolio transferred regarded performing exposures relative to secured credit, mortgage and unsecured loans, characterised by average seasoning of 7 years. The transaction, structured by Banca IMI (Intesa Sanpaolo Group) was completed with the acquisition of loans by the SPV pursuant to Italian Law No. 130/1999, called Emma S.P.V. S.r.l. The securities were issued in three classes: a senior class for an amount of 322 million Euro (fully subscribed by institutional investors through private placement), a mezzanine class of 46 million Euro and a junior class of 96 million Euro (both subscribed fully by the former Farbanca).

This transaction was restructured during June 2021. The restructuring, which provided for the extension of the revolving period and a size increase in the transaction up to a total of 540 million Euro, was carried out with the involvement of the Parent Company Banca Ifis and Intesa Sanpaolo as co-arrangers. Following this restructuring, the securities were issued in three partly paid classes: the senior class, with a nominal amount of 397,5 million Euro, was fully subscribed by Duomo Funding Plc while the mezzanine and junior classes, with a nominal amount respectively of 53,0 million Euro and 90,1 million Euro, were fully subscribed the former Farbanca (now Banca Credifarma), which also fulfils the retention obligations in accordance with the CRR, as originator.

As a result of the revolving structure of the transaction, a further 312 new loans were assigned during 2023, for a total equivalent value of 104,7 million Euro (residual outstanding stipulated amount, including unpaid principal and interest and expenses on past due and unpaid instalments).

The outstanding amount of senior, mezzanine and junior securities at 31 December 2024 was 266,6 million Euro, 53,0 million Euro and 83,5 million Euro, respectively.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were “restored” to the consolidated accounts of the Banca Ifis Group.

Indigo lease securitisation

In 2016, the Banca Ifis Group, through the originator company, the former Ifis Leasing S.p.A. (incorporated into Banca Ifis since May 2018) finalised a securitisation that involved selling a portfolio of performing loans totalling 489 million Euro to the special purpose vehicle Indigo Lease S.r.l.

The securitisation was rated by the agencies Moody's and DBRS, which will also perform the annual monitoring throughout the term of the transaction.

The initial purchase price of the assigned receivables portfolio, equal to 489 million Euro, was paid by the vehicle to the merged entity, the former Ifis Leasing using funds raised from the issue of senior notes for an amount of 366 million Euro. These received an AA3 (sf) rating from Moody's and an AA (sf) rating from DBRS, and their redemption is connected to the collections realised on the receivables portfolio. In addition, the vehicle issued 138 million Euro in junior notes that were acquired by the former Ifis Leasing and did not receive a rating. In addition, the latter received a specific servicing mandate to collect and manage the receivables.

During 2017, following the transaction restructuring, a revolving system was launched involving monthly assignments of new credit to the SPV, until July 2021. At the same time, the maximum nominal amount of the senior and junior notes was increased respectively to 609,5 and 169,7 million Euro. In the same period, Banca Ifis acquired all the senior notes issued by the vehicle. Following the May 2018 merger of the former Ifis Leasing, for incorporation into Banca Ifis, the latter also became the subscriber of the junior notes.

A second restructuring took place in June 2021, with confirmation of the nominal amount of the securities and simultaneous extension of the revolving period until July 2023.

In July 2023, Banca Ifis finalised the restructuring of the securitisation, which entailed the extension of the revolving period for a further two years and an increase in the principal outstanding amount of the senior securities, as well as the derating and delisting of the same from the Luxembourg Stock Exchange (as of 20 July 2023), in addition to obtaining STS (Securitisation "Simple, Transparent and Standardised") status pursuant to EU Regulation 2017/2402 (Securitisation Regulation).

As part of the transaction, Banca Ifis sold to UniCredit Bank AG the entire amount of senior securities, corresponding to a nominal amount of 609,5 million Euro and a principal amount outstanding of 400 million Euro. The junior securities, with a principal amount outstanding of 147,6 million Euro, were fully retained by Banca Ifis as originator. Therefore, as of July 2023 Indigo Lease is no longer a self-securitisation.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were “restored” to the consolidated accounts of the Banca Ifis Group.

Other securitisations

As at 31 December 2024, the Banca Ifis Group holds a portfolio of securities issued by securitisation vehicles for a total of 286,0 million Euro, of which 216,9 million Euro measured at amortised cost and 69,0 million Euro measured at fair value with impact on the income statement. Such data includes:

- multi-originator securitisations in which the Group assumed, together with other banks, also the role of originator. The Group subscribed for securities with a carrying amount as at 31 December 2024 of 47,6 million Euro (at 31 December 2023, the carrying amount was 44,1 million Euro). For more details, please refer to paragraph "C. Financial assets sold and derecognised in full" below, within subsection "D. Disposal transactions" of this "Section 2 - Prudential consolidation risks" of Part E;

- single-tranche securities characterised by a carrying amount at 31 December 2024 of 33,1 million Euro;
- securities with underlying non-financial assets with a carrying amount at 31 December 2024 of 21,8 million Euro.

Quantitative information

C.1 Prudential consolidation - Exposures from the main "own" securitisations broken down by type of securitised asset and type of exposure

Type of securitised asset/Exposure	On-balance-sheet exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals
A. Derecognised in full	**4.034**	**1**	**21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Receivables due from customers	*4.034*	*1*	*21*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Partly derecognised	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Not derecognised	**-**	**-**	**54.271**	**2.648**	**319.104**	**4.174**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Receivables due from customers	-	-	*54.271*	*2.648*	*319.104*	*4.174*	-	-	-	-	-	-	-	-	-	-	-	-

C.2 Prudential consolidation - Exposures from the main "third-party" securitisations broken down by type of securitised asset and type of exposure

Type of securitised asset/Exposure	On-balance-sheet exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals
Financial and non-financial assets	245.115	1.379	39.855	239	441	-	-	-	-	-	-	-	533	3	-	-	-	-
Total	**245.115**	**1.379**	**39.855**	**239**	**441**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**533**	**3**	**-**	**-**	**-**	**-**

C.3 Prudential consolidation - Interests in special purpose vehicles for the securitisation

Securitisation name / Special purpose vehicle name	Registered office	Consolidation [1]	Assets [2]			Liabilities [2]		
			Receivables	Debt securities	Other	Senior	Mezzanine	Junior
Ifis ABCP Programme S.r.l.	Conegliano (Province of Treviso)	100%	1.330.827	-	76.640	975.672	-	-
Indigo Lease S.r.l.	Conegliano (Province of Treviso)	100%	506.863	-	31.430	400.000	-	147.671
Emma S.P.V. S.r.l.	Conegliano (Province of Treviso)	100%	375.487	-	35.186	266.574	53.000	83.499

(1) Consolidation method referred to the so-called "prudential" perimeter

(2) The figures shown are gross of any intercompany transactions

C.4 Prudential consolidation - Non-consolidated securitisation vehicles

As at 31 December 2024, there are no cases referred to in this paragraph for the Banca Ifis Group.

C.5 Prudential consolidation - Servicer activities – own securitisations: collection of securitised loans and redemption of securities issued by the SPV for securitisation

Servicer	Vehicle company	Securitised assets (end-of-period figure)		Receivables collected during the year		Percentage share of redeemed securities (end-of-period figure)					
						Senior		Mezzanine		Junior	
		Impaired	Not impaired	Impaired	Not impaired	Impaired assets	Not impaired assets	Impaired assets	Not impaired assets	Impaired assets	Not impaired assets
Banca Credifarma	ARCOBALENO FINANCE	5.171	9.325	808	7.447	-	-	-	-	9,79%	90,21%
Banca Credifarma	CREDIARC	29.200	3.903	436	895	-	-	-	-	32,77%	67,23%

It should be noted that both the Arcobaleno and Crediarc transactions are characterised by the absence of formalised business plans in the agreements:

- the Arcobaleno transaction concerned performing unsecured loans. The expected cash flows, therefore, were (with the exception of the positions relating to the counterparty in default) time-stamped to the maturity dates of the individual instalments of the amortisation schedules. The failure of debtors to meet agreed payments under individual loan agreements therefore represents a deviation from collection forecasts, resulting in exposures with delayed repayments.
- Crediarc's portfolio is divided into 2 macro aggregates. The first is only performing mortgages. For this cluster, therefore, the expected receipts correspond to the progressively accrued instalments, as per the original repayment schedules. Deviations from the expected cash flows are therefore represented by the outstanding debts at the time of recognition. The second cluster is represented by unlikely to pay and non-performing loans. The net carrying amount (given by the nominal amount of the receivable net of the write-down made) attributed to these receivables represents their estimated realisable value over a 10-year period: it is important to note that the values shown have not been discounted.

C.6 Prudential consolidation - Consolidated securitisation vehicles

Refer to the information in Table C.3.

D. Disposals

A. Financial assets sold and not derecognised in full

Qualitative information

Transfer transactions that did not result in the derecognition of the underlying financial assets are represented by:

- securitisation transactions of credit exposures to customers;
- repurchase agreements (repos) on securities owned, mainly classified in the portfolios "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost".

In the case of repurchase agreements, the non-derecognition of the security, which is the subject of a spot sale, derives from the fact that the Group retains substantially all the risks and rewards associated with the security, having the obligation to repurchase it forward at a contractually agreed price. The securities being transferred therefore continue to be shown in the accounting portfolios to which they belong; the consideration for the transfer is recognised under “Financial liabilities measured at amortised cost: a) payables due to banks or b) payables due to customers”, depending on the type of counterparty. In this regard, it should be noted that the following tables do not represent repurchase agreements on securities not recorded in the balance sheet, if the availability of the same results from reverse repurchase agreements.

For securitisation transactions, described in section "C. Securitisation transactions" above, the non-derecognition follows the Group's subscription of the tranches of junior securities or similar exposures, which entail the risk of first losses for the Group and, likewise, the benefit associated with the return on the portfolio of transferred assets. In exchange for the transfer, the consideration received is recognised as a balancing entry to a liability to the special purpose vehicle, net of any tranches of securities subscribed or drawdowns of forms of liquidity support in favour of the vehicle in order to make principal payments. The loan thus recorded to the special purpose vehicle will be reduced by the sums collected by the originator, as "servicer", and transferred to the same vehicle.

Quantitative information

D.1. Prudential consolidation - Financial assets sold and fully recognised and associated financial liabilities: carrying amounts

	Financial assets sold and fully recognised				Associated financial liabilities		
	Carrying amount	*of which: securitised*	*of which: subject to repurchase agreements*	*of which non-performing*	Carrying amount	*of which: securitised*	*of which: subject to repurchase agreements*
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**98.796**	**-**	**98.796**	**-**	**101.271**	**-**	***101.271***
1. Debt securities	98.796	-	98.796	-	101.271	-	*101.271*
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**2.834.138**	**1.571.396**	**1.262.742**	**422.560**	**2.766.330**	***1.268.471***	***1.497.859***
1. Debt securities	1.262.742	-	1.262.742	-	1.497.859	-	*1.497.859*
2. Loans	1.571.396	1.571.396	-	422.560	1.268.471	*1.268.471*	-
Total 31.12.2024	**2.932.934**	**1.571.396**	**1.361.538**	**422.560**	**2.867.601**	***1.268.471***	***1.599.130***
Total 31.12.2023	**2.385.677**	**1.735.702**	**649.975**	**492.849**	**2.778.956**	***1.717.326***	***1.061.630***

D.2 Prudent consolidation - Financial assets sold and partly recognised and associated financial liabilities: carrying amounts

In these Consolidated Financial Statements, this item has no value.

D.3 Prudential consolidation - Disposal transactions with liabilities having recourse only to assets sold and not derecognised in full: fair value

	Recorded in full	Recorded partly	Total	
			31.12.2024	31.12.2023
A. Financial assets held for trading	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**98.796**	**-**	**98.796**	**2.542**
1. Debt securities	98.796	-	98.796	2.542
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
E. Financial assets measured at amortised cost (fair value)	**2.834.138**	**-**	**2.834.138**	**2.383.135**
1. Debt securities	1.262.742	-	1.262.742	647.433
2. Loans	1.571.396	-	1.571.396	1.735.702
Total financial assets	**2.932.934**	**-**	**2.932.934**	**2.385.677**
Total associated financial liabilities	**2.867.601**	**-**	**X**	**X**
Net balance at 31.12.2024	**65.333**	**-**	**65.333**	**X**
Net balance at 31.12.2023	**393.278**	**-**	**X**	**393.278**

B. Financial assets sold and not derecognised in full with recognition of continuing involvement

The Group has not entered into any disposal transactions for which disclosure is required under IFRS 7.

C. Financial assets sold and derecognised in ful

Qualitative information

At 31 December 2024, the Group held securitised securities and mutual fund units acquired as a result of transactions involving the sale of financial assets that were derecognised in full during 2024 and in previous years. These transactions involved the transfer of financial assets, consisting of loans, by the Group, to securitisation special purpose entities or mutual funds and their derecognition in accordance with IFRS 9, following verification that the originator itself (the Parent Company Banca Ifis or other Group companies) had substantially transferred the risks and rewards of the transferred assets and had simultaneously retained no control over those assets. Instead of these derecognised assets, securitised securities or fund units received in the same transactions have been recognised as financial assets.

Below is information provided on multi-originator sales of loan portfolios, in particular of "unlikely to pay" loans - that are attributable to the assignment of loans to a mutual fund with allocation of the relevant shares to the assigning intermediaries or securitisation SPVs.

Quantitative information

The following table provides details of the funds and other assets held (e.g. securitisation securities), showing the fund management company (or vehicle company in the case of securitisation transactions) of the balance sheet value as at 31 December 2024.

Transaction name	Carrying amount at 31.12.2024 (in thousands of Euro)	Asset management company or SPV
illimity Credit & Corporate Turnaround Fund	5.740	illimity SGR
City Regeneration Fund	7.150	Redo SGR
IDeA Corporate Credit Recovery I - Loans sub-fund	5.701	Dea Capital Alternative Funds SGR
IDeA Corporate Credit Recovery II - Loans sub-fund	5.745	Dea Capital Alternative Funds SGR
IDeA Corporate Credit Recovery II - Shipping sub-fund	2.261	Dea Capital Alternative Funds SGR
BCC NPLs 2020	31.355	BCC NPLs 2020 S.r.l
BCC NPLs 2021	4.642	BCC NPLs 2021 S.r.l
Luzzatti POP NPLs 2024 S.r.l.	12.135	Luzzatti POP NPLs 2024 S.r.l.

Transactions concluded during the year

Luzzatti

In December 2024, the subsidiary Ifis Npl Investing took part in the multi-originator securitisation transaction called 'Popolari NPLs 2024' involving loans owned by nine banks or financial intermediaries, including Ifis Npl Investing, deriving from mortgage or unsecured non-performing loans. The transaction was finalised with the acquisition of the loans by the special purpose vehicle company Law No. 130/1999 called Luzzatti POP NPLs 2024 S.r.l. and entailed for Ifis Npl Investing the sale of a non-performing loans portfolio (entirely made up of unsecured positions undergoing amicable collection) for a carrying amount of 10,3 million Euro and a residual nominal amount of 24,3 million Euro.

The securities were issued in three classes: a senior class offered for subscription to each of the originators at par and pro-rata and with an investment grade BBB area rating; a mezzanine class and a junior class both placed by IMI on the institutional market net of a 5% share subscribed by the originators in accordance with the provisions on the maintenance of a significant net economic interest (referred to as "risk retention'). Following Ifis Npl Investing's pro-rata subscription of the senior securities, they were sold to the parent company Banca Ifis, net of a 5% share retained by Ifis Npl Investing.

The amount of senior securities as at 31 December 2024 amounted to 11,1 million Euro for Banca Ifis and 569 thousand Euro for Ifis Npl Investing, while the carrying amount of junior securities held by Ifis Npl Investing is residual.

In order to support the rating of the senior securities, Ifis Npl Investing and the other assignors finalised a Limited Recourse Loan with the special purpose vehicle Luzzatti POP NPLs 2024 S.r.l., aimed mainly at financing, in a manner commensurate with the price of the portfolio respectively sold, the initial cash reserve of the vehicle. As at 31 December 2024, the amount disbursed by Ifis Npl Investing was 0,5 million Euro.

"illimity Credit & Corporate Turnaround" fund

Restructuring fund managed by illimity SGR, established in 2021 with the objective of purchasing non-performing loans owed by banks to companies engaged in restructuring processes.

The subscription of the fund's shares by the Parent Company Banca Ifis took place in April 2024 with an investment of 7,4 million Euro, an amount coinciding with the price of the sale of loans due in respect of an automotive company. At the time of subscription, the Parent Company's investment amounted to 3,3% of the fund, and subsequently various closures took place, which did not affect Banca Ifis, and which reduced the fund's participation to 2,68%.

A first distribution was received in 2024. The carrying amount of the units held by Banca Ifis at 31 December 2024 is 5,7 million Euro.

IDeA CCR II Fund - Credit sub-fund

Fund established in 2017, a replica of the CCR I fund launched previously, with the objective of purchasing non-performing loans and instruments claimed by banks from companies involved in restructuring processes.

In 2017, Banca Ifis subscribed units for a total initial value of 8,8 million Euro in conjunction with the assignment to the Fund of its claim against a single debtor operating in the manufacturing sector.

At the time of subscription, Banca Ifis's share in the sub-fund was 3,72%. As a result of the subsequent closings implemented by the Fund, in which Banca Ifis did not participate, the Fund's shareholding in the sub-fund was reduced to 0,44%.

In December 2024, Banca Ifis subscribed a further 209,910 units in the fund for an equivalent amount of 3,8 million Euro in conjunction with the assignment to it of its claim against a company operating in the furnishings sector. At the time of subscription, the new units represented 0,64% of the total units issued. Following further closures by the end of the year, the percentage dropped to 0,53% for a value of 3,1 million Euro.

Over the years, various distributions have been made in favour of shareholders. The carrying amount at 31 December 2024 is 5,7 million Euro.

Transactions concluded in previous years

City Regeneration Fund

A closed-end real estate alternative investment fund reserved for professional investors established in November 2020 with the objective of making sustainable investments in real estate initiatives aimed at urban regeneration and having a social impact, with a focus on Social Housing, Senior Living and Student Housing.

In November 2023, Banca Ifis sold its claim against a single debtor, the owner of the largest urban regeneration project in Italy, with a nominal amount of 9,2 million Euro and a carrying amount of 5,9 million Euro. For this transaction, Banca Ifis received units of the City Regeneration Fund, entered at a fair value of 6,3 million Euro.

At 31 December 2024, Banca Ifis's share is 1,62% of the total value of the Fund's subscriptions and its carrying amount is 7,2 million Euro.

IDeA CCR I Fund - Credit sub-fund

Fund established in January 2016, with the objective of purchasing non-performing loans and instruments claimed by banks from companies involved in restructuring processes.

Banca Ifis became a shareholder in July 2019, as part of the last closing realised by the fund, through the subscription of units worth 15,9 million Euro, in conjunction with the sale to the fund of receivables and equity instruments owed to an operator in the automotive segment. Banca Ifis's share of the Fund is 13,66% of the sub-fund. In 2024, having reached maturity, the fund was put into liquidation. The sub-fund's management team is focused on selling the last asset in the portfolio from which the final redemption of units will be derived.

The carrying amount at 31 December 2024 is 5,7 million Euro.

IDeA CCR II Fund - Shipping sub-fund

Sub-fund established in 2018 within the CCR II Fund launched in 2017, specifically for non-performing loans arising from transactions with ship operators. The sub-fund is denominated in US dollars.

The subscription of the sub-fund's shares by Banca Ifis took place in December 2018 with an investment of 37,7 million Dollar, an amount coinciding with the price of the sale of ship mortgage-backed loans to as many operators. Banca Ifis's shareholding represents 19,34% of the sub-fund's units.

Over the years, the Fund has made significant distributions from the proceeds realised through the restructuring of receivables, repossession of ships and the subsequent sale of part of them, greatly anticipating the recovery expected by shareholders. The carrying amount at 31 December 2024 is 2,3 million Euro.

In addition to the above, again with a view to pursuing de-risking activities, Banca Ifis participated in two multi-originator securitisation transactions in 2020 and 2021, respectively.

"BCC NPLs 2020" securitisation

multi-originator transaction whereby, in November 2020, 90 banks, 88 of which belong to the Iccrea Cooperative Banking Group and two banks outside the group (Banca Ifis and Banca Popolare Valconca), completed the sale of an equal number of portfolios of non-performing loans classified as bad loans at the date of sale for a total credit claim of 2,3 billion Euro (of which 249,0 million Euro related to the portfolio sold by Banca Ifis) in favour of a vehicle company ("BCC NPLs 2020 S.r.l.") set up pursuant to Law 130/1999 through the realisation of a securitisation of bad loans guaranteed by Italian Treasury Department (referred to as "GACS") pursuant to L.D. No. 18 of 14 February 2016.

BCC NPLs 2020 S.r.l. financed acquisitions of the loans portfolio by issuing asset-backed securities, in accordance with the combined provisions of Articles 1 and 5 of Italian Law No. 130, for a total nominal amount of approximately 585 million Euro, structured into the following classes:

- 520 million Euro of Senior Securities (of which a nominal 55 million Euro subscribed by Banca Ifis), maturing in January 2045 and with Baa2 and BBB ratings issued by Moody's Italia S.r.l. and Scope, respectively;
- 41 million Euro in Mezzanine Notes maturing in January 2045, with rating Caa2 and CC assigned respectively by Moody's Italia S.r.l. and Scope;
- 24 million Euro in Junior Notes maturing in January 2045, unrated.

The Mezzanine Securities and the Junior Securities were subscribed by independent investors having no relationship and/or ties with the originator banks, it being understood that each originator bank undertook to maintain a share of at least 5% of the nominal amount of each tranche of Securities issued in the context of the Transaction. The share of Mezzanine and Junior Securities subscribed by Banca Ifis is 245 thousand Euro and 143 thousand Euro, respectively.

In the context of this transaction, the Parent Company Banca Ifis benefited from the accounting and prudential derecognition of the transferred assets. The carrying amount at 31 December 2024 is 31,2 million Euro for senior units, 0,2 million Euro for mezzanine units, and junior units are of negligible value.

"BCC NPLs 2021" securitisation

Multi-originator transaction whereby, in November 2021, 77 banks, 74 of which belong to the Iccrea Cooperative Banking Group and 3 banks outside the group (Banca Ifis, Cassa di Risparmio di Asti and Guber Banca), completed the sale of an equal number of portfolios of non-performing loans classified as bad loans at the date of sale for a total credit claim of 1,3 billion Euro (of which 86,9 million Euro related to the portfolio sold by Banca Ifis) in favour of a vehicle company ("BCC NPLs 2021 S.r.l.") set up pursuant to Law 130/1999 through the realisation of a securitisation of bad loans guaranteed by Italian Treasury Department (referred to as "GACS") pursuant to L.D. No. 18 of 14 February 2016.

BCC NPLs 2021 S.r.l. financed acquisitions of the loans portfolio by issuing asset-backed securities, in accordance with the combined provisions of Articles 1 and 5 of Italian Law No. 130, for a total nominal amount of 336,5 million Euro, structured into the following classes:

- 284 million Euro of Senior Securities (of which a nominal 7,8 Euro subscribed by Banca Ifis), maturing in April 2046 and with Baa2, BBB and BBB ratings issued by Moody's Italia S.r.l., Scope and Arc Rating S.A., respectively;
- 39,5 million Euro in Mezzanine Notes maturing in April 2046, with rating Caa2, CCC and CCC+ assigned respectively by Moody's Italia S.r.l., Scope and Arc Rating S.A., respectively;
- 13 million Euro in Junior Notes maturing in April 2046, unrated.

The Mezzanine Securities and the Junior Securities were subscribed by independent investors having no relationship and/or ties with the originator banks, it being understood that each originator bank undertook to maintain a share of at least 5% of the nominal amount of each tranche of Securities issued in the context of the Transaction. The share of Mezzanine and Junior Securities subscribed by the Parent Company Banca Ifis is 131 thousand Euro and 43 thousand Euro, respectively.

In the context of this transaction, Banca Ifis benefited from the accounting and prudential derecognition of the transferred assets. The carrying amount at 31 December 2024 is 4,6 million Euro for senior units while the mezzanine units and junior units are of irrelevant value.

D. Covered bond transactions

The Banca Ifis Group did not engage in any covered bond transactions.

E. Prudential consolidation - models for measuring credit risk

The Banca Ifis Group does not have internal portfolio models on credit risk (VaR methodology).

1.2 Market risks

1.2.1 Interest rate risk and price risk - supervisory trading book

Qualitative information

A. General aspects

In 2024, the investment strategy continued, as regulated in the "Banca Ifis Proprietary Portfolio Management Policy" and in the “Policy for Managing Securitisation & Structured Solutions investment operations” is structured to coincide with the risk appetite formulated by the Board of Directors under the scope of the Risk Appetite Framework (RAF) and laid out in the "Group Market Risk Management Policy", as well as with the system of objectives and limits.

Consistent with the conservative "stance" outlined in the above-mentioned documents, the overall investment strategy focused on risk containment, implemented mainly by seeking out securities characterised by high liquidity and a strategy of steady returns over the medium term. Over the course of the year, however, it was decided to gradually increase the duration of the portfolio, albeit in the presence of a substantial stability of the invested equivalent amounts, in order to pursue a greater stability of interest flows in the presence of expected future declining returns. However, the change in portfolio composition was accompanied by continuous monitoring of the exposure of the risks it generated. Compliance with the risk limits set by the Banca Ifis Group was verified on an ongoing basis by the Risk Management function.

It should also be noted that during 2024, certain hedge accounting (micro fair value hedge) transactions were put in place on certain equity securities measured at fair value with an impact on overall profitability, realised through combinations of call and put options and maturing within 18 months. The purpose of these transactions is to reduce the price risk of the underlying securities.

The component relating to the "trading book" from which the market risk in question originates was marginal with respect to the total investments in the banking book both in absolute terms of the risk values recorded and with respect to the established limits. The trading book mainly comprises options and futures deriving from hedging transactions and ancillary enhancements to the investment strategy in assets that are part of the “banking book” and “discretionary trading” portfolio, characterised by short-term speculation and marginal exposure.

The trading book also contains residual transactions from the Corporate Banking operations, as part of which clients were offered derivative contracts hedging the financial risks they assumed. In order to remove market risk, all outstanding transactions are hedged with "back to back" trades, in which the Bank assumes a position opposite to the one sold to corporate clients with independent market counterparties.

B. Management procedures and measurement methods concerning interest rate risk and price risk

The guidelines on the assumption and monitoring of market risk are laid out on a Group level in the "Group Market Risk Management Policy", which also indicates, for the purpose of a more rigorous and detailed representation of the process activities, the metrics used for the measuring and monitoring of this risk.

In particular, the measurement and assessment of market risks is based on the various characteristics (in terms of time frame, investment instruments, etc.) of the investment strategies used in the documents "Banca Ifis Proprietary Portfolio Management Policy" and "Policy for Managing Securitisation & Structured Solutions investment operations", which defines and details the strategies to be pursued in terms of portfolio structure, operative instruments and assets.

Under this scope, the monitoring of the consistency of the Group's portfolio risk profiles in respect of the risk/return objectives is based on a system of limits (both strategic and operational), which envisages the combined use of various different indicators. More specifically, the following are defined:

- Maximum Acceptable Loss;
- Maximum negative gross financial impact;
- VaR (Value at Risk) limit;
- limits of sensitivity and Greeks;
- any limits to the type of financial instruments admitted;
- any composition limits.

Respect for the limits assigned to each portfolio is checked daily.

The summary indicator used to assess exposure to the risks in question is the Value at Risk (VaR), which represents market best practice for monitoring risks arising from financial market operations. It should be noted, however, that VaR and the limits derived from it, while not used by the Group as a proprietary internal model for determining capital requirements, are used on an ongoing basis for management assessment purposes. In a broader perspective relative to financial market operations, the banking portfolio is also prudentially monitored according to the logic of market risks and subject to specific limits, i.e., the positions to which an HTC&S (Held to Collect and Sell) business model is associated and recorded at fair value through other comprehensive income (FVOCI), as well as the positions recorded at fair value with impact on the income statement (FVTPL), whose changes in value could have significant impacts on the Group's reserves (and consequently on the carrying amounts) and/or income statement.

VaR is a statistical measure to estimate the loss that could occur as a result of adverse movements in risk factors.

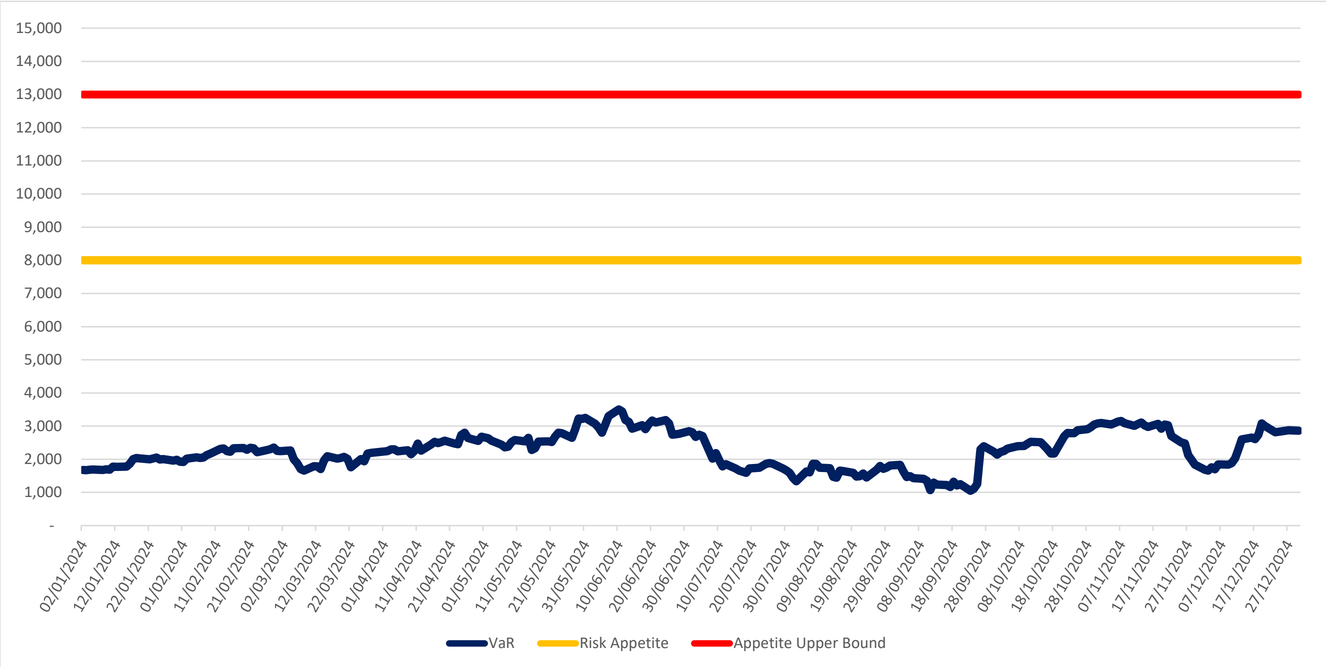
Specifically, the VaR is measured using a confidence interval of 99% and a holding period of 1 day; it expresses the "threshold" of daily losses that, on the basis of probabilistic hypotheses may only be surpassed in 1% of cases. The approach used to calculate the VaR is historical simulation. With this approach, the portfolio is re-valued, applying all variations to the risk factors recorded the previous year (256 observations). The values thus obtained are compared with the current portfolio value, determining the relevant series of hypothetical gains or losses. The VaR is the average of the second and third worst results.

The VaR is also divided, for monitoring purposes, amongst the risk factors referring to the portfolio.

In addition to the risk indications deriving from the VaR, the Expected Shortfall (ES), which expresses the daily loss that exceeds the VaR figure, and the Stressed VaRs, which represent VaR calculated in a particularly turbulent historical period, which in the specific case corresponds to the Italian debt crisis of 2011-2012 and the 2020 Covid-19 pandemic, are also used for monitoring purposes.

The forecasting capacity of the risk measurement model used is verified through a daily backtesting analysis in which the VaR for the positions in the portfolio at t-1 is compared with the profit and loss generated by such positions at t.

During 2024, VaR utilisation was well below the assigned limit at all times, partly as a result of the low volatility experienced by the various asset classes, as can be seen in the chart below. The figure at the end of December 2024 stands at 2,9 million Euro, against a risk appetite level of approximately 8 million Euro.



Quantitative information

1. Supervisory trading book: breakdown by residual maturity (re-pricing date) of on-balance-sheet financial assets and liabilities and financial derivatives - Currency: Euro

Type/Residual maturity	on demand	up to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	over 5 to 10 years	over 10 years	indefinite life
1. On-balance-sheet assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	3.455	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	33.593	3.903	128	89.315	17.187	-	-
+ short positions	80	105.503	-	121	730	17.601	20.092	-
- Other derivatives								
+ long positions	-	121.503	4.638	21.512	100.681	2.302	-	-
+ short positions	-	121.099	4.638	21.512	100.681	2.302	-	-

2. Supervisory trading book: distribution of equity exposures and equity indices by major market listing countries

The Banca Ifis Group has no cases for which the disclosures in this paragraph are applicable.

3. Supervisory trading book: internal models and other methods for the sensitivity analysis

The Banca Ifis Group does not have internal models for the regulatory trading book.

1.2.2 Interest rate risk and price risk - banking portfolio

Qualitative information

A. General aspects, management procedures and measurement methods concerning the interest rate risk and the price risk

The assumption of a significant interest rate risk is in principle unrelated to the management of the Group. In terms of breakdown of the balance sheet with reference to the types of risk in question, in respect of the liabilities, the main funding source is still the on-line savings accounts and the Rendimax current account, structured into the technical forms of fixed-rate customer deposit accounts for the restricted component and the non index-linked variable rate that can be unilaterally revised by the Group in respect of the rules and contracts, for the technical forms of unrestricted demand and on-call current accounts. The other main components of funding concern fixed-rate bond funding, variable-rate securitisation operations, repurchase agreements at both fixed and variable rate and loans with the Eurosystem (referred to as TLTRO, LTRO and MRO) at variable rates. The TLTRO operation, already subject to partial unwinding as of the end of 2023, was fully repaid at maturity in September 2024.

As for the assets, loans to customers still largely have floating rates as far as both trade receivables and corporate financing are concerned.

As for the operations concerning distressed retail loans carried out by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, the first is characterised by a business model focused on acquiring receivables at prices lower than their nominal amount, there is a potential interest rate risk associated with the uncertainty about when the receivables will be collected.

At 31 December 2024, the comprehensive bond portfolio mainly comprises government securities for a percentage of 68%; the modified average duration and average maturity of the portfolio are respectively 3,8 years and 4,8 years.

The Capital Markets function is appointed to guarantee the rate risk management, which, in line with the risk appetite established, defines what action is necessary to pursue this. The Risk Management function is responsible for proposing the risk appetite, identifying the most appropriate risk indicators and monitoring the relevant performance of the assets and liabilities in connection with the pre-set limits. Top Management makes annual proposals to the Parent company Banca Ifis Board as to the policies on lending, funding and the management of interest rate risk, as well as suggesting appropriate actions by which to ensure that operations are carried out consistently with the risk policies approved by the Group.

The Risk Management function periodically reports to the Parent Company's Board of Directors on the interest rate risk position by means of a specific monthly report prepared for the Parent Company's management.

The interest rate risk falls under the category of second-pillar risks. The guidelines on the assumption and monitoring of market risk are laid out on a Group level in the “Group Banking Book Interest Rate Risk Management Policy”, which also indicates, for the purpose of a more rigorous and detailed representation of the process activities, the metrics used for the measuring and monitoring of the risk in question. Monitoring is performed at the consolidated level.

Starting from 2023, the Banca Ifis Group hedges the interest rate risk. In particular, the Group adopts various "fair value hedge" type strategies, in which the hedging instruments are IRS plain vanilla derivative contracts and the "hedged items" are respectively certain government bonds (in this case Italian BTPs) measured at amortised cost and certain foreign government securities measured at fair value through other comprehensive income.

The classification of the bonds held as “Financial assets measured at fair value through other comprehensive income” introduces the risk that the Group's reserves may fluctuate as a result of the change in their fair value. This risk is mitigated, however, as the Banca Ifis Group has adopted the sterilisation regime provided for in Regulation (EU) No 2024/1623 Article 468, in order to neutralise the impact on equity arising from the treatment of unrealised gains and losses measured at fair value through the impact on the overall return on government securities. This regime is transitional in nature and will be valid until 31 December 2025. There is also a residual portion in equity securities, which belong to the major European indexes and are highly liquid, including “Financial assets measured at fair value through other comprehensive income". A part share of these assets are economically hedged through derivatives that are part of the trading book, not represented in the accounts through hedge accounting.

Below is the sensitivity analysis for the main balance sheet items, both assets and liabilities, with evidence of the effect of a 1 basis point movement up or down, also showing the relative duration alongside.

Macro item (figures in thousands of Euro)	Sensitivity +1bps	Sensitivity -1bps	Duration
1. On-balance-sheet assets	(2.828.494)	2.831.430	1,91
1.1 Debt securities	(1.191.328)	1.192.559	3,35
1.2 Loans to banks	(2.635)	2.636	0,04
1.3 Loans to customers	(1.634.531)	1.636.235	1,55
2. On-balance-sheet liabilities	1.409.224	(1.409.941)	1,11
2.1 Payables due to customers and securities issued	1.321.392	(1.322.069)	1,18
2.2 Payables due to banks	87.832	(87.872)	0,58
3.1 Hedging derivatives - variable leg	(15.321)	15.351	0,27
3.2 Hedging derivatives - fixed leg	287.799	(288.024)	5,10
Total	**(1.146.792)**	**1.148.816**	**0,76**

From a managerial viewpoint, the above assets are specifically monitored as regulated in the documents "Group Market Risk Management Policy" and the "Group Rates Risk Management Policy".

The following table shows the sensitivity analysis with reference to the impact at the level of the economic item "Net interest income", and consequently at the level of the pre-tax result for the year, of a change of 1 basis points up or down, set forth at the level of the associated interest-bearing asset components.

Macro item (figures in thousands of Euro)	Sensitivity -1 bps	Sensitivity +1 bps
Debt securities	(70.824)	70.819
Receivables due from banks	(54.869)	54.864
Receivables due from customers	(501.247)	501.209
Payables due to customers and debt securities issued	441.599	(441.563)
Payables due to banks	96.169	(96.161)
Hedging derivatives	(37.240)	37.238
Total	**(126.412)**	**126.406**

It should be noted that, as required by regulations, the values proposed in the above tables represent sensitivity analyses referring to a 12-month time horizon.

Quantitative information

1. Banking book: breakdown by residual maturity (re-pricing date) of financial assets and liabilities - Currency: Euro

Type/Residual maturity	on demand	up to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	over 5 to 10 years	over 10 years	Indefinite life
1. On-balance-sheet assets	**2.843.394**	**3.972.166**	**1.275.812**	**492.090**	**2.291.092**	**1.152.740**	**298.897**	**-**
1.1 Debt securities	10.170	625.912	562.625	183.954	724.485	749.335	262.128	-
- with early redemption option	-	155.030	35.825	41.781	203.049	73.933	31.629	-
- other	10.170	470.882	526.800	142.173	521.436	675.402	230.499	-
1.2 Loans to banks	499.082	101.816	18	36	206	-	-	-
1.3 Loans to customers	2.334.142	3.244.438	713.169	308.100	1.566.401	403.405	36.769	-
- current a/c	86.257	15.712	5.993	13.323	103.543	30.865	5.284	-
- other loans	2.247.885	3.228.726	707.176	294.777	1.462.858	372.540	31.485	-
- with early redemption option	220.678	1.585.474	443.498	86.635	49.645	3.859	801	-
- other	2.027.207	1.643.252	263.678	208.142	1.413.213	368.681	30.684	-
2. On-balance-sheet liabilities	**1.158.905**	**3.155.882**	**2.236.836**	**1.033.469**	**3.917.503**	**18.000**	**2.415**	**-**
2.1 Due to customers	1.134.006	2.552.981	470.421	1.002.293	1.830.171	4.836	2.415	-
- current a/c	515.898	122.997	32.057	128.902	184.530	-	-	-
- other payables	618.108	2.429.984	438.364	873.391	1.645.641	4.836	2.415	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	618.108	2.429.984	438.364	873.391	1.645.641	4.836	2.415	-
2.2 Payables due to banks	24.895	602.899	121.029	31.163	580.000	13.164	-	-
- current a/c	24.881	-	-	-	-	-	-	-
- other payables	14	602.899	121.029	31.163	580.000	13.164	-	-
2.3 Debt securities	4	2	1.645.386	13	1.507.332	-	-	-
- with early redemption option	-	-	-	-	787.485	-	-	-
- other	4	2	1.645.386	13	719.847	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	81.844	-	-	-	-
+ short positions	-	81.844	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	339.700	156.000	-	-	-	-	-
+ short positions	-	-	-	-	150.700	345.000	-	-
4. Other off-balance-sheet transactions								
+ long positions	157.533	-	-	-	-	-	-	-
+ short positions	71.437	4.137	6.069	-	46.437	29.453	-	-

1. Banking book: breakdown by residual maturity (re-pricing date) of financial assets and liabilities - Currency: Other currencies

Type/Residual maturity	on demand	up to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	over 5 to 10 years	over 10 years	Indefinite life
1. On-balance-sheet assets	**42.030**	**75.953**	**1.157**	**23**	**177**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	7.765	36.823	-	-	-	-	-	-
1.3 Loans to customers	34.265	39.130	1.157	23	177	-	-	-
- current a/c	-	-	-	-	-	-	-	-
- other loans	34.265	39.130	1.157	23	177	-	-	-
- with early redemption option	147	3.191	26	-	-	-	-	-
- other	34.118	35.939	1.131	23	177	-	-	-
2. On-balance-sheet liabilities	**3.869**	**70.155**	**54**	**76**	**538**	**-**	**-**	**-**
2.1 Due to customers	3.869	55	54	76	538	-	-	-
- current a/c	3.868	-	-	-	-	-	-	-
- other payables	1	55	54	76	538	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	1	55	54	76	538	-	-	-
2.2 Payables due to banks	-	70.100	-	-	-	-	-	-
- current a/c	-	-	-	-	-	-	-	-
- other payables	-	70.100	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions								
+ long positions	-	14.278	-	-	-	-	-	-
+ short positions	-	14.278	-	-	-	-	-	-

2. Banking book: internal models and other methods for the sensitivity analysis

The Banca Ifis Group uses the Ermas suite for the assessment of interest rate risk on the banking book, which, using a full evaluation approach, calculates risk exposures under the two headings required by current regulations (change in economic value and change in net interest income). This suite is enhanced by a behavioural model for the estimation of stocks and flows of funding components related to on-demand items.

1.2.3 Currency risk

Qualitative information

A. General aspects, management procedures and measurement methods of the currency risk

The assumption of currency risk, intended as an operating element that could potentially improve cash management performance, is not part of the Group's policies. The Banca Ifis Group's foreign currency operations largely involve collections and payments associated with factoring operations and in hedging assets in foreign currencies, like units of UCITS. In this sense, the assets in question are generally hedged with deposits and/or loans from other banks in the same currency, thus eliminating for the most part the risk of losses associated with exchange rate fluctuations. In some cases, synthetic instruments are used as hedging instruments.

A residual currency risk arises as a natural consequence of the mismatch between the clients' borrowings and the Capital Markets function's funding operations in foreign currency. Such mismatches are mainly a result of the difficulty in correctly anticipating financial trends connected with factoring operations, with particular reference to cash flows from account debtors vis-à-vis the maturities of loans granted to customers, as well as the effect of interest on them.

However, the Capital Markets function strives to minimise such mismatches every day, constantly realigning the size and timing of foreign currency positions.

Currency risk related to the Bank's business is assumed and managed according to the risk policies and limits set by the Parent Company's Board of Directors, with precise delegations of power limiting the autonomy of those authorised to operate, as well as especially strict limits on the daily net currency position.

The business functions responsible for ensuring the currency risk is managed correctly are: the Capital Markets function, which, amongst other duties, directly manages the Bank's funding operations and currency position; the Risk Management function, responsible for selecting the most appropriate risk indicators and monitoring them with reference to pre-set limits; and the Top Management, which every year, based on the Capital Markets function's proposals, shall consider these suggestions and make proposals to Banca Ifis's Board of Directors regarding policies on funding and the management of currency risk, as well as suggest appropriate actions during the year in order to ensure that operations are conducted consistently with the risk policies approved by the Group.

As regards the subsidiaries Ifis Finance Sp. z o.o. and Ifis Finance I.F.N. S.A., which operate on the Polish and Romanian markets, respectively, exposures in Polish zloty and leu from factoring activities are financed by funding in the same currency.

With the acquisition of the Polish subsidiary, Banca Ifis has assumed the currency risk represented by the initial investment in Ifis Finance Sp. z o.o.'s share capital for an amount of 21,2 million Zloty and the subsequent share capital increase for an amount of 66 million Zloty.

As instead for the Rumanian subsidiary Ifis Finance I.F.N. S.A., Banca Ifis assumed the exchange rate risk on its own at the time of its incorporation through the initial payment into the share capital totalling 14,7 million Romanian Leu and at the time of the payments of 9,6 million Leu, 24,7 million Leu and 49,0 million Leu as a capital increase respectively during the second half of 2022 and the first and second half of 2023.

Furthermore, Banca Ifis owns a 4,68% interest in India Factoring and Finance Solutions Private Limited, worth 20 million Indian rupees and with a market value of 3,0 million Euro at the historical exchange rate. In 2015 the Bank tested said interest for impairment, recognising a 2,4 million Euro charge in profit or loss. Starting from 2016, the fair value was adjusted through equity, bringing the value of the equity interest to 844 thousand Euro at 31 December 2024.

The Risk Management function is committed to monitoring the set limits, aimed at verifying that the Group's exchange rate risk remains low. As at 31 December 2024, the total net position amounts to about 4,3 million Euro (or about 0,2% of own funds), with a maximum single-currency exposure of 1,8 million Euro.

B. Hedging of currency risk

Considering the size of this investment and the foregoing on the management method, the Bank did not deem it necessary to hedge the ensuing currency risk.

Quantitative information

1. Distribution of assets, liabilities and derivatives by currency

Items	Currencies					
	US DOLLAR	GB POUND STERLING	SWISS FRANC	SWEDISH KRONA	ZLOTY	OTHER CURRENCIES
A. Financial assets	**54.483**	**9.437**	**838**	**2.263**	**38.460**	**23.152**
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	2.262	3.497	485	2.012	-	844
A.3 Loans to banks	17.703	488	353	251	22.426	3.368
A.4 Loans to customers	34.518	5.452	-	-	16.034	18.940
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**-**	**-**	**-**	**-**	**26**	**64**
C. Financial liabilities	**(54.471)**	**(10.270)**	**(850)**	**(2.622)**	**(2.393)**	**(4.085)**
C.1 Payables due to banks	(52.330)	(10.266)	(850)	(2.622)	-	(4.031)
C.2 Payables due to customers	(2.141)	(4)	-	-	(2.393)	(54)
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**(148)**	**(6)**	**-**	**-**	**(606)**	**(284)**
E. Financial derivatives						
- Options						
+ long positions	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-
- Other						
+ long positions	(4)	-	-	-	(12)	-
+ short positions	(421)	-	-	-	(32.430)	(1.425)
Total assets	**54.487**	**9.437**	**838**	**2.263**	**38.498**	**23.216**
Total liabilities	**(55.040)**	**(10.276)**	**(850)**	**(2.622)**	**(35.429)**	**(5.794)**
Imbalance (+/-)	**(553)**	**(839)**	**(12)**	**(359)**	**3.069**	**17.422**

2. Internal models and other methods for the sensitivity analysis

The Banca Ifis Group does not have internal models for currency risk.

1.3 Derivative instruments and hedging policies

1.3.1 Derivative instruments held for trading

A. Financial derivatives

Please see paragraph "1.2 Market risks" of this Section 2 of Part E of the Notes to the Consolidated Financial Statements.

A.1 Financial derivatives held for trading: year-end notional amounts

Underlying assets/Types of derivatives	31.12.2024				31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With offsetting agreements	Without offsetting agreements			With offsetting agreements	Without offsetting agreements	
1. Debt securities and interest rates	**-**	**-**	**1.539.514**	**-**	**-**	**-**	**1.096.929**	**-**
a) Options	-	-	1.289.298	-	-	-	1.085.424	-
b) Swaps	-	-	250.216	-	-	-	11.505	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indexes	**-**	**-**	**129.379**	**-**	**-**	**-**	**25.393**	**-**
a) Options	-	-	129.379	-	-	-	25.393	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**1.668.893**	**-**	**-**	**-**	**1.122.322**	**-**

A.2 Financial derivatives held for trading: gross positive and negative fair value - breakdown by product

Types of derivatives	31.12.2024				31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counter-parties	Without central counterparties			Central counter-parties	Without central counterparties		
		With offsetting agree-ments	Without offsetting agree-ments			With offsetting agree-ments	Without offsetting agree-ments	
1. Positive fair value								
a) Options	-	-	10.129	-	-	-	12.743	-
b) Interest rate swaps	-	-	1.940	-	-	-	153	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**12.069**	**-**	**-**	**-**	**12.896**	**-**
2. Negative fair value								
a) Options	-	-	11.771	-	-	-	13.852	-
b) Interest rate swaps	-	-	1.994	-	-	-	153	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**13.765**	**-**	**-**	**-**	**14.005**	**-**

A.3 OTC financial derivatives held for trading: notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial corporations	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional amount	X	1.535.489	-	4.025
- positive fair value	X	10.393	-	127
- negative fair value	X	13.065	-	-
2) Equity securities and share indexes				
- notional amount	X	129.379	-	-
- positive fair value	X	1.549	-	-
- negative fair value	X	700	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and share indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives: notional amounts

Underlying assets/Residual life	Up to 1 year	Over 1 to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	448.547	376.362	714.605	1.539.514
A.2 Financial derivatives on equity securities and share indexes	129.379	-	-	129.379
A.3 Financial derivatives on exchange rates and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31.12.2024	**577.926**	**376.362**	**714.605**	**1.668.893**
Total 31.12.2023	**129.272**	**198.050**	**795.000**	**1.122.322**

B. Credit derivatives

The Banca Ifis Group does not hold credit derivatives.

1.3.2 Hedges

Qualitative information

A. Fair value hedging

The Banca Ifis Group's hedges are designed to reduce the Bank's overall exposure to interest rate risk caused by movements in the interest rate curve, as well as to the price risk, caused by market fluctuations. Specifically, the hedging strategies relate to:

- a "package" of specific hedges on fixed-rate securities in the Group's Proprietary Portfolio with which a "HTC" (Held to Collect) business model is associated. These are government bonds issued by the Italian government (BTPs) that pass the "SPPI test" prescribed by IFRS 9, and are therefore classified in the balance sheet item "Financial assets measured at amortised cost - receivables due from customers";
- specific hedges on certain fixed-rate securities in the Group's Proprietary Portfolio with which a "HTC&S" (Held to Collect & Sell) business model is associated. These are foreign government securities that pass the "SPPI test" prescribed by IFRS 9, and are therefore classified in the balance sheet item "Financial assets measured at fair value through other comprehensive income";
- specific hedges on certain equity securities for which the Banca Ifis Group has exercised the "OCI Option" envisaged by IFRS 9, and that are therefore classified in the balance sheet item "Financial assets measured at fair value through other comprehensive income".

In hedge accounting, the Group applies standard IFRS 9 and, at the reference date of these Consolidated Financial Statements, only adopts specific hedges (micro fair value hedges) and not general hedges (macro fair value hedges).

Within the micro fair value hedge, debt securities and equity securities on the asset side are hedged.

The main types of hedging derivatives used are:

- plain interest rate swaps (IRS), which are not listed on regulated markets but are traded on over-the-counter (OTC) circuits;
- put and call options.

B. Cash flow hedging

As at 31 December 2024, the Banca Ifis Group does not engage in cash flow hedges.

C. Foreign investment hedges

As at 31 December 2024, the Banca Ifis Group does not engage in net investment hedging in a foreign entity.

D. Hedging instruments

The main causes of ineffectiveness of the model adopted by the Group for verifying the effectiveness of hedges are attributable to the following phenomena:

- mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of initial designation or generated thereafter, such as in the case of any partial disposals of the hedged securities;
- application of different curves on the hedging derivative and the hedged item for the purpose of performing the effectiveness test on fair value hedges. Derivatives are discounted to Overnight curves, while hedged items are discounted to the indexation curve of the hedging instrument;
- inclusion in the effectiveness test of the value of the variable leg of the hedging derivative, assuming a fair value hedge.

The ineffectiveness of the hedge is promptly detected for the purposes:

- the determination of the effect on the income statement or directly on comprehensive income (in the case of fair value hedges on equity securities measured at fair value through other comprehensive income);
- assessing whether or not hedge accounting rules can continue to be applied.

The Group does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

E. Items hedged

The main types of items hedged are, at the reference date of the Financial Statements, debt securities and equity securities on the asset side. They are hedged in micro fair value hedge relationships, using interest rate swaps (IRS) and put and call options as hedging instruments.

The interest rate risk or price risk is generally hedged for all or most of the term of the bond.

To verify the effectiveness of the hedge, the Group uses a prospective effectiveness test measured through the ratio of the delta fair value of each hedging instrument and the related hedged item based on sensitivity analysis of 100 bps on interest rates for debt securities, while the verification of the effectiveness of the hedge on equity securities is carried out through a prospective test on a -20% shock in the price of the underlying asset. The verification of hedging effectiveness through the prospectus described above is performed prior to the designation of the hedging relationship, as an ex-ante estimate, and is subsequently monitored on an ongoing basis and reported periodically to senior management.

Quantitative information

A. Financial hedging derivatives

A.1 Financial hedging derivatives: year-end notional amounts

Underlying assets/Types of derivatives	31.12.2024				31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counter-parties	Without central counterparties			Central counter-parties	Without central counterparties		
		With offsetting agree-ments	Without offsetting agree-ments			With offsetting agree-ments	Without offsetting agree-ments	
1. Debt securities and interest rates	**-**	**-**	**495.700**	**-**	**-**	**-**	**355.700**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	495.700	-	-	-	355.700	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indexes	**-**	**-**	**81.844**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	81.844	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**577.544**	**-**	**-**	**-**	**355.700**	**-**

A.2 Financial hedging derivatives: gross positive and negative fair value - breakdown by product

Types of derivatives	Positive and negative fair value - Total 31.12.2024 - Over the counter - Central counterparts	Total 31.12.2024 - Over the counter - Without central counterparties - With offsetting agreements	Total 31.12.2024 - Over the counter - Without central counterparties - Without offsetting agreements	Total 31.12.2024 - Organised markets	Total 31.12.2023 - Over the counter - Central counterparts	Total 31.12.2023 - Over the counter - Without central counterparties - With offsetting agreements	Total 31.12.2023 - Over the counter - Without central counterparties - Without offsetting agreements	Total 31.12.2023 - Organised markets	Change in value used to recognise hedge ineffectiveness - Total 31.12.2024	Change in value used to recognise hedge ineffectiveness - Total 31.12.2023
1. Positive fair value										
a) Options	-	-	5.972	-	-	-	-	-	1.746	-
b) Interest rate swaps	-	-	1.432	-	-	-	-	-	2.176	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**7.404**	**-**	**-**	**-**	**-**	**-**	**3.922**	**-**
2. Negative fair value										
a) Options	-	-	1.623	-	-	-	-	-	299	-
b) Interest rate swaps	-	-	13.245	-	-	-	11.644	-	922	11.644
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**14.868**	**-**	**-**	**-**	**11.644**	**-**	**1.221**	**11.644**

A.3 OTC financial hedging derivatives: notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial corporations	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional amount	X	495.700	-	-
- positive fair value	X	1.432	-	-
- negative fair value	X	13.245	-	-
2) Equity securities and share indexes				
- notional amount	X	81.844	-	-
- positive fair value	X	5.972	-	-
- negative fair value	X	1.623	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and share indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial hedging derivatives: notional amounts

Underlying assets/Residual life	Up to 1 year	Over 1 to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	-	150.700	345.000	495.700
A.2 Financial derivatives on equity securities and share indexes	41.703	40.141	-	81.844
A.3 Financial derivatives on exchange rates and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31.12.2024	**41.703**	**190.841**	**345.000**	**577.544**
Total 31.12.2023	**-**	**94.200**	**261.500**	**355.700**

A. Credit hedging derivatives

The Banca Ifis Group does not hold credit derivatives designated as hedging instruments.

C. Non-derivative hedging instruments

The Banca Ifis Group does not hold any non-derivative instruments designated as hedging instruments.

D. Instruments hedged

D.1 Fair value hedges

	Specific hedges: carrying amount	Specific hedges - net positions: carrying amount of assets or liabilities (before netting)	Specific hedges			General hedges: Carrying amount
			Cumulative changes in the fair value of the hedged instrument	Termination of hedging: residual cumulative changes in fair value	Change in value used to recognise hedge ineffective-ness	
A. Assets						
1. Financial assets measured at fair value through other comprehensive income - hedges of:	**188.321**	**-**	**(1.288)**	**-**	**3.488**	**-**
1.1 Debt securities and interest rates	138.314	-	(2.388)	-	2.388	X
1.2 Equity securities and share indexes	50.007	-	1.100	-	1.100	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans and receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. Financial assets measured at amortised cost - hedge of:	**376.561**	**-**	**12.607**	**-**	**6**	**-**
2.1 Debt securities and interest rates	376.561	-	12.607	-	6	X
2.2 Equity securities and share indexes	-	-	-	-	-	X
2.3 Currencies and gold	-	-	-	-	-	X
2.4 Loans and receivables	-	-	-	-	-	X
2.5 Other	-	-	-	-	-	X
Total 31.12.2024	**564.882**	**-**	**11.319**	**-**	**3.494**	**-**
Total 31.12.2023	**378.003**	**-**	**12.613**	**-**	**12.613**	**-**
B. Liabilities						
1. Financial liabilities measured at amortised cost - hedge of:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities and interest rates	-	-	-	-	-	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31.12.2024	**-**	**-**	**-**	**-**	**-**	**-**
Total 31.12.2023	**-**	**-**	**-**	**-**	**-**	**-**

D.2 Cash flow hedges and foreign investment hedges

As at 31 December 2024, the Banca Ifis Group does not engage in cash flow hedges or net investment hedges in a foreign entity.

E. Effects of hedging transactions on equity

E.1 Reconciliation of equity components

As at 31 December 2024, the Banca Ifis Group's only hedge with an impact on equity was the micro fair value hedge on equity securities measured at fair value with an impact on comprehensive income, while it did not hedge cash flow hedges or net investment hedges in a foreign entity.

In addition, the Banca Ifis Group does not hold reserves relating to hedging instruments (non-designated items) for which changes during the year must be disclosed by type of hedge (a transaction or a period) pursuant to IFRS 9 paragraphs 6.5.15 and 6.5.16.

Therefore, the two compulsory tables prescribed by Bank of Italy Circular No. 262/2005 and subsequent updates are not applicable for the Banca Ifis Group, as these tables refer respectively to "cash flow hedges" or "net investment hedges in a foreign entity" and to reserves for hedging instruments (non-designated items).

For the sake of completeness, however, a reconciliation of the equity components for micro fair value hedges on equity securities measured at fair value through other comprehensive income is provided below. In this regard, the opening balances at 1 January 2024 of the relevant reserves are nil, as the micro fair value hedge strategy on equity securities measured at fair value through other comprehensive income was activated for the first time during 2024. As at 31 December 2024, the composition was as follows:

- net valuation reserves to hedge equity securities designated at fair value through other comprehensive income with a negative value of 131 thousand Euro net of the tax effect, comprising negative reserves of 1,1 million Euro on hedged equity securities and positive reserves of 1,0 million Euro on related hedging derivatives (put and call options);
- net revenue reserves totalling a negative value of 22 thousand Euro net of the tax effect, related to hedging strategies that ceased during 2024 following the sale of the related hedged items and subsequent closure of the associated derivatives, with simultaneous reversal to revenue reserves following the realisation of the associated valuation reserves. This value consists of positive reserves of 146 thousand Euro on equity securities that were hedged and negative reserves of 169 thousand Euro on related derivatives that were designated as hedges (put and call options).

For more details on the movement of these reserves, please refer to 'Part D - Consolidated statement of comprehensive income' of these Notes to the Consolidated Financial Statements.

1.3.3 Other information on derivative instruments (trading and hedging)

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values for counterparties

	Central counterparties	Banks	Other financial corporations	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional amount	-	2.177.567	-	4.025
- net positive fair value	-	13.374	-	127
- net negative fair value	-	27.010	-	-
2) Equity securities and share indexes				
- notional amount	-	81.844	-	-
- net positive fair value	-	5.972	-	-
- net negative fair value	-	1.623	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
B. Credit derivatives				
1) Protection purchase				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
2) Protection sale				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-

1.4 Liquidity risk

Qualitative information

A. General aspects, management procedures and measurement methods of the liquidity risk

The liquidity risk refers to the possibility that the Group fails to service its debt obligations due to the inability to raise funds or sell enough assets on the market to address liquidity needs. The liquidity risk also refers to the inability to secure new adequate financial resources, in terms of amount and cost, to meet its operating needs and opportunities, hence forcing the Group to either slow down or stop its operations, or incur excessive funding costs in order to service its obligations, significantly affecting its profitability.

At 31 December 2024, financial sources mainly consisted of equity, on-line funding (Rendimax product), consisting of on-demand and time deposits, medium/long-term bonds issued as part of the EMTN programme, medium/long-term securitisation transactions, as well as funding from corporate customers. Funding in the form of repurchase agreements (REPO), entered into with leading banks, continued to be a significant source of funding in 2024. Finally, with regard to Eurosystem funding (TLTROs, LTROs and MROs), it should be noted that the unwinding of the TLTRO funding, which had already begun at the end of 2023, of the TLTRO funding maturing naturally during 2024 continued. More specifically, in the first half of 2024, a total of 1,1 billion Euro was repaid in advance, reducing the amount still outstanding (which amounted to 1,6 billion Euro as at 31 December 2023) to a residual 0,4 billion Euro, which was then repaid in full at maturity in September 2024. In December 2024, the Parent Company participated in a new MRO transaction for 400 million Euro maturing on 8 January 2025.

The Group's activities consist of factoring operations, which focus mainly on trade receivables and receivables due from Italy's public administration maturing within the year, and medium/long-term receivables deriving mainly from Leasing, Corporate banking, Structured Finance and Workout, Restructuring & Recovery operations; security portfolio management, mainly comprising eligible and readily liquid Italian government securities are also important.

As for the Group's operations concerning the Npl Segment and the segment relative to purchases of tax receivables arising from insolvency proceedings, the characteristics of the business model imply a high level of variability concerning both the amount collected and the date of actual collection. 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.

The Group is constantly striving to improve the state of its financial resources, in terms of both size and cost, so as to have available liquidity reserves adequate for current and future business volumes.

The amount of high-quality liquidity reserves (mainly consisting of the balance of the management account with the Bank of Italy and the free portion of eligible securities) makes it possible to meet regulatory requirements (with respect to the limits of LCR and NSFR) and internal requirements relating to prudent management of liquidity risk.

The objective of the Group's operational liquidity management is to ensure the Banca Ifis Group's ability to meet its cash payment commitments over the short-term time horizon. The essential condition for normal business continuity in banking is the maintenance of a sustainable imbalance between cash inflows and outflows in the short term. From a management point of view, the reference metric in this respect is the difference between the net cumulative cash flow and the Counterbalancing Capacity, i.e. the liquidity reserve to cope with short-term stress conditions, in addition to the regulatory measure of the Liquidity Coverage Ratio (LCR). From a very short-term perspective, the Group adopts the intraday liquidity analysis and monitoring system with the aim of ensuring the normal development of the Bank's treasury day and its ability to meet its intraday payment commitments.

The Group's structural liquidity management aims to ensure the financial balance of the structure by maturity over the time horizon of more than one year. Maintaining an adequate ratio of medium- to long-term liabilities to assets is aimed at avoiding pressure on short-term funding sources, both current and prospective. The reference metrics refer to the regulatory indicator of the Net Stable Funding Ratio (NSFR) and, management-wise, to the gap ratios, which measure both the ratio of total funding and loans with maturities over 1 year and over 3 and 5 years.

The main indicators used by the Banca Ifis Group to assess its liquidity profile are as follows:

- Liquidity Coverage Ratio (LCR), which is the short-term liquidity indicator and corresponds to the ratio of the amount of High Quality Liquidity Assets to total net cash outflows over the next 30 calendar days. As of 2018, the indicator is subject to a minimum regulatory requirement of 100%;
- Net Stable Funding Ratio (NSFR), which is the 12-month structural liquidity indicator and corresponds to the ratio of the available amount of stable funding to the required amount of stable funding. For this indicator, the regulatory minimum requirement has been set at 100% as of 2021.

Below are the two indicators in the reporting year compared with the previous year.

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
LCR	1.149%	2.619%	1.295%	944%	738%
NSFR	133%	140%	139%	139%	134%

Both indicators thus remain well above regulatory limits, confirming a more than adequate liquidity position in terms of both operational and structural liquidity.

With specific reference to climatic and environmental risk factors, the materiality analysis conducted led to their quantification as non-material, due to the low impact of these factors in terms of available cash reserves and related cash outflows on the Group's funding.

The corporate functions of the Parent Company responsible for ensuring the correct application of the liquidity policy are the Capital Markets function, which is responsible for the direct management of liquidity, the Risk Management function, which is responsible for proposing the risk appetite, identifying the most appropriate risk indicators and monitoring their performance in relation to the set limits and supporting the activities of Top Management. The latter has the task, with the support of the Capital Markets function, of proposing funding and liquidity risk management policies to the Board of Directors on an annual basis and suggesting during the course of the year any appropriate measures to ensure that activities are carried out in full compliance with approved risk policies.

As part of the continuous process to update procedures and policies concerning liquidity risk, and taking into account the changes in the relevant prudential regulations, the Parent uses an internal liquidity risk governance, monitoring, and management framework at the Group level.

In compliance with supervisory provisions, the Group also has a Contingency Funding Plan aimed at protecting it from losses or threats arising from a potential liquidity crisis and guaranteeing business continuity even in the midst of a serious emergency arising from its own internal organisation and/or the market situation.

The liquidity risk position is periodically reported by the Risk Management function to the Banca Ifis Board of Directors.

With reference to the Polish and Rumanian subsidiaries, treasury operations are coordinated by the Parent Company.

Quantitative information

1. Breakdown by residual contractual duration of financial assets and liabilities - Currency: Euro

Items/Duration	on demand	over 1 to 7 days	over 7 to 15 days	over 15 days to 1 month	over 1 to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	Over 5 years	indefinite life
On-balance-sheet assets	**1.351.865**	**48.648**	**204.002**	**630.004**	**1.442.828**	**669.857**	**1.281.776**	**4.625.239**	**2.472.265**	**76.294**
A.1 Government bonds	270	-	522	2.000	19.028	22.685	372.344	748.300	967.550	-
A.2 Other debt securities	11.049	3.393	750	16.669	24.846	32.933	76.442	591.741	432.008	-
A.3 UCITS units	95.798	-	-	-	-	-	-	-	-	-
A.4 Loans	1.244.748	45.255	202.730	611.335	1.398.954	614.239	832.990	3.285.198	1.072.707	76.294
- banks	539.332	44	25.024	1.301	2.173	22	43	205	-	75.100
- customers	705.416	45.211	177.706	610.034	1.396.781	614.217	832.947	3.284.993	1.072.707	1.194
On-balance-sheet liabilities	**998.604**	**61.889**	**152.206**	**873.739**	**838.011**	**504.337**	**1.161.367**	**4.909.811**	**2.058.500**	**-**
B.1 Deposits and current accounts	996.286	61.334	137.703	227.464	754.293	475.753	1.029.789	2.107.680	-	-
- banks	24.881	-	49.997	-	-	-	-	-	-	-
- customers	971.405	61.334	87.706	227.464	754.293	475.753	1.029.789	2.107.680	-	-
B.2 Debt securities	4	-	2	18.296	21.995	-	53.672	1.413.346	1.645.386	-
B.3 Other liabilities	2.314	555	14.501	627.979	61.723	28.584	77.906	1.388.785	413.114	-
Off-balance-sheet transactions										
C.1 Financial derivatives with exchange of underlying assets										
- long positions	-	420	-	-	-	-	21.929	-	-	-
- short positions	-	776	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of underlying assets										
- long positions	3.489	-	-	-	-	-	-	-	-	-
- short positions	22.345	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds										
- long positions	35.226	-	5.000	6.500	1.564	13.321	613	63.570	31.740	-
- short positions	71.437	-	-	3.000	1.137	6.069	-	46.438	29.453	-
C.5 Financial guarantees granted	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

1. Breakdown by residual contractual duration of financial assets and liabilities - Currency: Other currencies

Items/Duration	on demand	over 1 to 7 days	over 7 to 15 days	over 15 days to 1 month	over 1 to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	Over 5 years	indefinite life
On-balance-sheet assets	16.720	38.857	12.305	15.789	32.350	2.030	3.910	988	-	-
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	6	-	-
A.3 UCITS units	2.262	-	-	-	-	-	-	-	-	-
A.4 Loans	14.458	38.857	12.305	15.789	32.350	2.030	3.910	982	-	-
- banks	7.816	36.860	-	-	-	-	-	-	-	-
- customers	6.642	1.997	12.305	15.789	32.350	2.030	3.910	982	-	-
On-balance-sheet liabilities	3.869	-	49.205	20.969	41	59	85	518	-	-
B.1 Deposits and current accounts	3.868	-	29.884	11.340	-	-	-	-	-	-
- banks	-	-	29.884	11.340	-	-	-	-	-	-
- customers	3.868	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	1	-	19.321	9.629	41	59	85	518	-	-
Off-balance-sheet transactions										
C.1 Financial derivatives with exchange of underlying assets										
- long positions	-	16	-	-	-	-	-	-	-	-
- short positions	-	421	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds										
- long positions	-	14.278	-	-	-	-	-	-	-	-
- short positions	-	14.278	-	-	-	-	-	-	-	-
C.5 Financial guarantees granted	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Self-securitisation transactions

Ifis NPL 2021-1 Spv

In March 2021, Banca Ifis realised for financing purposes, through its subsidiary Ifis Npl Investing, the very first securitisation in Italy of a non-performing portfolio mainly comprising unsecured loans backed by Garnishment Orders. The transaction is an innovative solution for this type of non-performing exposure, where the debt collection procedure through compulsory enforcement (attachment of one fifth of the salary) is at an advanced stage. The transaction aimed to collect funding for Ifis Npl Investing of up to 350 million Euro in liquidity on the institutional market, without deconsolidating the underlying credits. The loan portfolios concerned by the transaction (a portfolio of secured loans and an unsecured portfolio backed by Garnishment Orders) owned by the subsidiary Ifis Npl Investing, was transferred to a newly-established SPV called Ifis NPL 2021-1 Spv S.r.l., which issued senior, mezzanine and junior notes. These tranches were initially fully subscribed by Ifis Npl Investing, and subsequently the senior tranches (net of the 5% retained by Ifis Npl Investing as originator pursuant to the retention rule) were sold to Banca Ifis.

At 31 December 2024 the Banca Ifis Group had therefore subscribed all the notes issued by the vehicle. It should be noted that the senior tranches held by Banca Ifis were used for long term repurchase agreements transactions with leading banking counterparties.

On the basis of the contractual terms underlying the securitisation in question, there is no substantial accounting transfer ("derecognition" in accordance with IFRS 9) of all the risks and rewards relating to the receivables being sold to the vehicle company.

Securitisation transactions

As for the securitisations outstanding at 31 December 2024 and their purpose, see the comments made previously in the paragraph "1.1 Credit risk", sub-paragraph "C. Securitisation transactions".

1.5 Operational risks

Qualitative information

A. General aspects, management procedures and measurement methods concerning operational risk

Operational risk is the risk of losses arising from inadequate or dysfunctional processes, human resources, internal systems or external events. This definition does not include strategic risk and reputational risk, but it does include legal risk (i.e. the risk of losses deriving from failure to comply with laws or regulations, contractual or extra-contractual liability, or other disputes), IT risk, risk of non-compliance, fraud risk, risk of money laundering and terrorist financing, and the risk of financial misstatement.

The main sources of operational risk are operational errors, inefficient or inadequate operational processes and controls, internal and external frauds, the outsourcing of business functions, the quality of physical and logical security, inadequate or unavailable hardware or software systems, the growing reliance on automation, staff below strength relative to the size of the business, and inadequate human resources management and training policies.

The Banca Ifis Group has adopted for a while now - consistently with the relevant regulatory provisions and industry best practices - an operational risk management framework. This consists in a set of rules, procedures, resources (human, technological and organisational), and controls aiming to identify, assess, monitor, prevent or mitigate all existing or potential operational risks in the various organisational units, as well as to communicate them to the competent levels. The key processes for the proper management of operational risk are represented:

- by the Loss Data Collection activity, i.e. the structured collection and census of losses deriving from operational risk events, which is consolidated thanks also to the constant activity by the Risk Management function to disseminate among the corporate structures a culture oriented towards the awareness and proactive management of operational risks;
- by the prospective self-assessment of risk exposure through the execution of periodic Risk Self Assessment and Model Risk Self Assessment campaigns, aimed at obtaining an overall view of risks in terms of frequency and/or potential financial impact and the related organisational safeguards.

With specific reference to the monitoring of the evolution of ICT and Security risk[50] and the assessment of the effectiveness of ICT resource protection measures, the Banca Ifis Group, in compliance with the regulatory requirement[51] has opted for a shared responsibility model, assigning tasks to the Risk Management and

[50] Following the enactment of EU Regulation 2022/2554 ("DORA") of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector, which aims to ensure that financial institutions are able to cope with, react to and recover from all types of ICT-related disruptions and threats by demonstrating resilience, the Banca Ifis Group has launched an initiative aimed at identifying the impacts arising from the new regulatory changes and implementing an action plan in view of the Regulation 's entry into force scheduled for 17 January 2025.

[51] On 2 November 2022, the Bank of Italy issued the 40th update of the "Supervisory Provisions for Banks", amending Chapter 4 "The Information System" and Chapter 5 "Business Continuity" of Part One, Title IV, to implement the "Guidelines on Information Technology (ICT) Risk

Compliance corporate control functions, in relation to the roles, responsibilities and competences of each of the two functions. In particular, the Risk Management function conducts ICT and security risk analysis processes in accordance with the organisational and methodological framework approved by the Board of Directors in order, for example, to verify compliance with the ICT and security risk propensity level, the related risk objectives that the Group intends to achieve, and the resulting operational limits. If the level of ICT and security risk exceeds the defined threshold value, in order to bring it back within the acceptable risk threshold, measures are identified to deal with it, which flow into the "Treatment Plan" that identifies responsibilities for implementing individual corrective actions.

The results of the above-mentioned analyses are reported in the "Summary Report on the ICT and Security Risk Situation" subject to annual approval by the CEO in his capacity as the body with management functions.

In addition, according to its operational risk management framework (including the ICT and Security risk), the Group defines a set of measures that can promptly identify the presence of vulnerabilities in the exposure of the Bank and its subsidiaries to operational risks. These measures are continuously monitored and disclosed in periodic reports through synthetic risk measures that are shared with the competent structures and bodies: events such as the breach of certain thresholds or the emergence of anomalies trigger specific escalation processes aimed at defining and implementing appropriate mitigation actions. In addition, as part of the definition of the Risk Appetite Framework (RAF), the preparation of the Recovery Plan and ICAAP reporting, Risk Management function performs analyses by which it assesses its exposure to exceptional but plausible operational risk events. These analyses, referred to as stress analyses, contribute to verifying the resilience of the Group by simulating the impacts of adverse situations in terms of riskiness under the assumption of adverse scenarios.

In order to prevent and manage operational risk, the Parent Company's Risk Management function, in collaboration with the other corporate functions, is involved in supervising the risks connected with the supply contracts with third parties and the outsourcing of simple, essential or important operational functions and in assessing the risks associated with the introduction of new products and services and the preliminary assessment of the operative impact of the massive changes to the product contractual and economic conditions.

Concerning the companies of the Banca Ifis Group, please note that the management of operational risks is guaranteed by the strong involvement of the Parent Company, which makes decisions in terms of strategies, also in respect of risk management.

To calculate capital requirements against operational risks, the Group adopted the Basic Indicator Approach.

Alongside operational risk, reputational risk is also managed.

Reputational risk represents the current or prospective risk of a decrease in profits or capital deriving from a negative perception of the Group's image by customers, counterparties, shareholders, investors or the Supervisory Authorities.

Reputational risk is considered a second-level risk, as it is generated by the manifestation of other types of risk, such as the risk of non-compliance, strategic risk and in particular operational risks.

As in the case of operational risk, the Parent's Risk Management function is responsible for managing reputational risk: it defines the Group's overall framework - in accordance with the relevant regulations as well as industry best practices - for the management of reputational risk, with the goal of identifying, assessing, and monitoring the reputational risks that the Group's Companies or organisational units assume or may assume. The framework involves conducting a forward-looking Reputational Risk Self-Assessment and defining and monitoring a set of risk measures over time. The principles and guidelines that the Banca Ifis Group intends to adopt in the area of

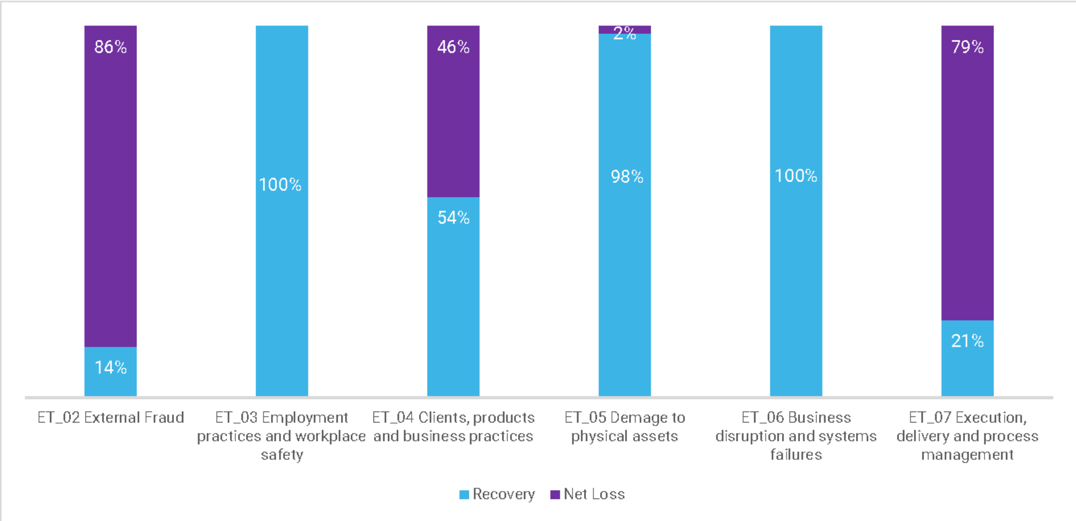
---

Management and Security" (EBA/GL/2019/04) issued by the EBA. On this occasion, some work was also carried out to reconcile and update the internal references in Section I of Chapter 3 "The Internal Controls System". Moreover, following the issuance of the Digital Operational Resilience Regulation ("DORA"), the Banca Ifis Group launched a dedicated project initiative aimed at defining and implementing the necessary compliance measures.

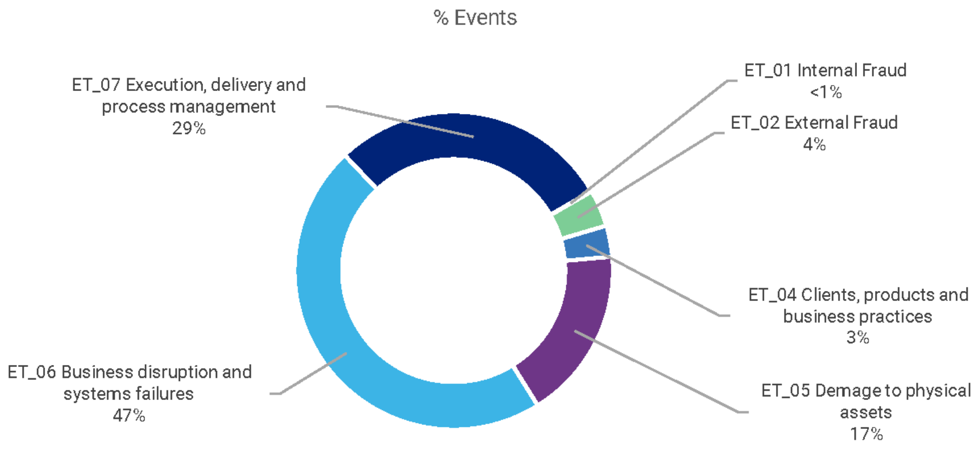
operational and reputational risk management are expressed in the "Group Policy for Operational and Reputational Risk Management" applied and disseminated, to the extent of its competence, to all organisational units of the Bank and Group companies. Similarly, with regard to the fundamentals inspiring IT risk management, there is a "Group Policy for ICT and Security Risk Management" in force, which operates both at the level of the Parent Company Banca Ifis and its subsidiaries.

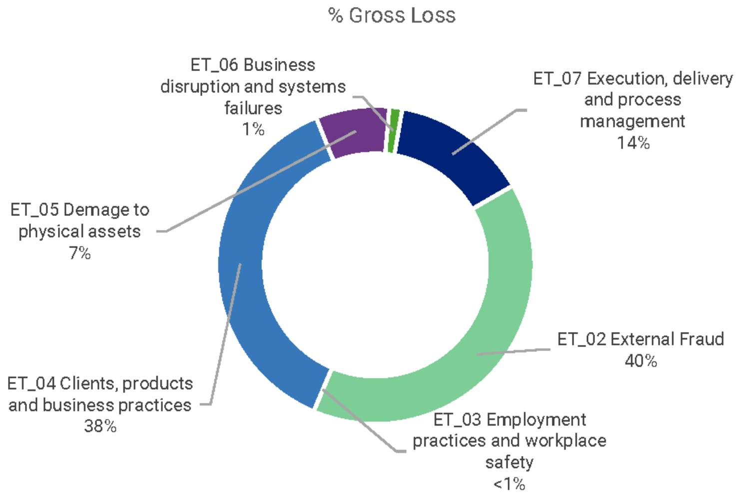
Quantitative information

This section provides a summary view of the results of the Loss Data Collection process at 31 December 2024 conducted at the Banca Ifis Group level. Operational events are subdivided by Event Type.



91% of the gross operating losses recognised in 2024, including provisions made, were attributable to events classified within Event Type categories ET_07 "Execution, Delivery and Process Management", ET_04 "Customers, Products and Professional Practices" and ET_02 "External Fraud". Total net operating losses amount to approximately 63% and, as a result, 37% of the gross operating losses recognised in 2024 were recovered. Below are the details per Event Type.





Section 3 - Insurance company risks

The Banca Ifis Group does not engage in transactions that give rise to risks to be reported in this section.

Section 4 - Risks of the other entities

Qualitative information

There are no additional material risks for the other entities included in the scope of consolidation that are not part of the Banking Group other than those reported in the section dedicated to the Banking Group.

Quantitative information

Refer to the information given in the paragraph above.

Part F - Information on consolidated equity

Section 1 - Consolidated Equity

A. Qualitative information

Managing equity concerns a set of policies and decisions necessary to establish capital levels that are consistent with the assets and risks taken by the Group. The Banca Ifis Group is subject to the capital adequacy requirements established by the so-called Basel Committee (CRR/CRD IV).

The Board of Directors constantly monitors that the Bank meets the minimum supervisory requirements, and therefore the capital adequacy ratios, as well as complies with the capital limits set out in the Risk Appetite Framework (RAF).

Furthermore, also in accordance with the European Central Bank (ECB)'s recommendation of 28 January 2015, the Bank ensures compliance with capital adequacy ratios through a pay-out policy linked to the achievement of the above minimum capital requirements, as well as the careful assessment of the potential impact of extraordinary financial operations (share capital increases, convertible loans, etc.).

The Group's capital adequacy is further assessed and monitored every time an extraordinary operation is planned. In this case, based on available information regarding the operation to be implemented, the Bank estimates the impact on capital adequacy ratios as well as the RAF, and considers any measures necessary to meet the requirements.

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.

In 2024, Banca Ifis, as variable pay, awarded the Top Management 104.132 treasury shares at an average price of 12,32 Euro, for a total of 1,3 million Euro and a nominal amount of 104.132 Euro, making profits of 437 thousand Euro that, in application of the provisions of Bank of Italy Circular no. 262/2005 and subsequent updates, were recognised under the equity reserve “Issue premiums”.

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

Considering the above operations, the stock at the end of the year was 1.238.886 treasury shares, with an equivalent value of 21,0 million Euro and a nominal amount of 1.238.886 Euro.

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

B. Quantitative information

B.1 Consolidated equity: breakdown by type of entity

Equity items	Prudential consolida-tion	Insurance firms	Other entities	Consolida-tion elimina-tions and adjust-ments	Total
1. Share capital	59.589	-	6.000	(6.000)	59.589
2. Share premiums	87.011	-	114.010	(114.010)	87.011
3. Reserves	1.550.553	-	61.316	(61.316)	1.550.553
3.5 (Interim dividends)	(63.084)	-	-	-	(63.084)
4. Equity	-	-	-	-	-
5. (Treasury shares)	(20.971)	-	-	-	(20.971)
6. Valuation reserves:	(28.126)	-	-	-	(28.126)
- Equity securities measured at fair value through other comprehensive income	(6.553)	-	-	-	(6.553)
- Hedging of equity securities measured at fair value through other comprehensive income	(131)	-	-	-	(131)
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	(16.597)	-	-	-	(16.597)
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Foreign investment hedges	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Hedging instruments [non-designated items]	-	-	-	-	-
- Exchange differences	(5.437)	-	-	-	(5.437)
- Non-current assets under disposal	-	-	-	-	-
- Financial liabilities measured at fair value through profit or loss (changes in own credit risk)	-	-	-	-	-
- Actuarial gains (losses) on defined benefit pension plans	592	-	-	-	592
- Share of valuation reserves of equity accounted investments	-	-	-	-	-
- Specific revaluation laws	-	-	-	-	-
7. Profit (loss) for the year (+/-) of the Group and non-controlling interests	163.174	-	-	-	163.174
Total	**1.748.146**	**-**	**181.326**	**(181.326)**	**1.748.146**

The above table shows the components of equity, combining those of the Group and those of third parties, broken down by type of businesses included in the scope of consolidation. More in detail:

- the column "Prudential consolidation" shows the amount resulting from the consolidation of the entities that form part of the prudential consolidation and including the economic effects of transactions carried out with other entities included in the scope of consolidation;
- the column "Other entities" shows the amounts resulting from the consolidation, including the economic effects of transactions carried out with entities that form part of the Banking Group;
- the column “Consolidation eliminations & adjustments” shows the adjustments necessary to obtain the reported amount.

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts	Prudential consolidation		Insurance companies		Other entities		Consolidation eliminations & adjustments		Total	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	356	(16.953)	-	-	-	-	-	-	**356**	**(16.953)**
2. Equity securities	4.607	(11.160)	-	-	-	-	-	-	**4.607**	**(11.160)**
3. Loans	-	-	-	-	-	-	-	-	**-**	**-**
Total 31.12.2024	**4.963**	**(28.113)**	**-**	**-**	**-**	**-**	**-**	**-**	**4.963**	**(28.113)**
Total 31.12.2023	**3.674**	**(37.033)**	**-**	**-**	**-**	**-**	**-**	**-**	**3.674**	**(37.033)**

B.3 Valuations reserves for financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	**(18.990)**	**(14.369)**	**-**
2. Increases	**18.063**	**24.870**	**-**
2.1 Fair value gains	15.684	12.490	-
2.2 Credit risk losses	-	X	-
2.3 Reclassification to profit or loss of negative reserves from sale	644	X	-
2.4 Transfers to other components of equity (equity securities)	-	11.604	-
2.5 Other changes	1.735	776	-
3. Decreases	**(15.670)**	**(17.054)**	**-**
3.1 Fair value losses	(3.184)	(15.612)	-
3.2 Reversals of credit risk losses	(483)	X	-
3.3 Reclassification to profit or loss of positive reserves from sale	(8.848)	X	-
3.4 Transfers to other components of equity (equity securities)	-	-	-
3.5 Other changes	(3.155)	(1.442)	-
4. Closing balance	**(16.597)**	**(6.553)**	**-**

B.4 Valuation reserves for defined benefit plans: annual changes

Valuation reserves for defined benefit plans show a positive balance at 31 December 2024 of 592 thousand Euro, comprising a positive balance of 574 thousand Euro attributable to the Parent company and a positive balance of 18 thousand Euro attributable to minorities. The increase in the item compared to the positive value of 308 thousand Euro at the end of the previous year derives from the net actuarial gains accrued in 2024 on the severance indemnity of the Group companies and the Parent company's provisions for pensions, mainly as a result of the revision of the underlying assumptions (such as the discount rate and annual turnover rate) due to the changed macroeconomic environment.

Section 2 - Own funds and prudential ratios

Pursuant to Bank of Italy Circular 262/2005 and related updates, the section on Own Funds and Capital Ratios is replaced with a reference to the similar information contained in the "Pillar III" public disclosure, i.e. the document "Disclosure to the Public as of 31 December 2024 - Pillar III" prepared at 31 December 2024 by the Banca Ifis Group, available on the website www.bancaifis.it in the "Investor Relations & Corporate Development" section.

Part G - Business combinations

Section 1 - Transactions carried out during the year

This section provides the information on business combinations required by IFRS 3 in paragraphs 59, letter a), 60 and 63. Moreover, in application of the Bank of Italy provisions set forth in Circular 262/2005 and subsequent updates, this section also conventionally includes any business combination transactions between entities subject to common control (referred to as "business combination between entities under common control").

1.1 Business combinations

On 11 November 2024, the merger by incorporation of Revalea S.p.A. into Ifis Npl Investing S.p.A. became effective, with effect for accounting and tax purposes backdated to 1 January 2024. The integration represents the completion of the project started with the acquisition of Revalea in October 2023, and is part of the initiatives of the 2022-2024 Business Plan aimed at further simplifying and specialising the organisational structure of the Banca Ifis Group and, in particular, that of the Npl Segment.

This merger by incorporation involved two companies already controlled by the parent company Banca Ifis (directly at 100% in the case of Ifis Npl Investing and indirectly, through the 100% control of Ifis Npl Investing itself, in the case of Revalea). Therefore, the business combination in question falls within the definition of "business combination between entities under common control" and, although excluded from the scope of application of IFRS 3, it is still required to be disclosed by the Bank of Italy.

The merger in question took place without an exchange and thus without any capital increase by the merging company Ifis Npl Investing (whose share capital therefore remained at 22 million Euro) and through the cancellation of the entire capital of the merged company Revalea in the amount of 3 million Euro.

The merger resulted in an exchange surplus of 9,0 million Euro, of which 8,5 million Euro came from the 'gain on a bargain purchase' emerged in the acquisition of 100% of Revalea in October 2023. In application of the requirements of Article 2504-bis of the Italian Civil Code, this surplus, since it was not due to “forecasts of unfavourable financial results”, was recorded in a special reserve in Ifis Npl Investing's shareholders' equity.

It is specified that the allocation of the acquisition cost, equal to 100 million Euro, through the recognition at fair value of the assets and liabilities of the acquired entity, including any intangible assets not previously recognised in these Consolidated financial statements, can now be considered as definitive. The provisional allocation made for recognition in the Consolidated Financial Statements at 31 December 2023 is confirmed.

Section 2 - Transactions carried out after the end of the year

The Banca Ifis Group did not carry out any business combination between the end of the year and the date of preparation of this document.

Section 3 - Retrospective adjustments

In 2024, the Group did not make any retrospective adjustment to business combinations carried out in previous periods.

Part H - Related-party transactions

In compliance with the provisions of Consob resolution No. 17221 of 12 March 2010 (as subsequently amended by means of Resolution No. 17389 of 23 June 2010) and the provisions of Bank of Italy Circular 263/2006 (Title V, Chapter 5), the “Group Policy covering transactions with related parties, associates and corporate representatives pursuant to Art. 136 of the Consolidated Law on Banking” was prepared. This document is publicly available on Banca Ifis's website, www.bancaifis.it, in the "Corporate Governance" Section.

During 2024, there were no transactions with related parties during the financial year that materially affected the Group's financial position or results.

With regard to transactions of greater significance carried out with related parties as defined by the Group's policies pursuant to Article 4 of the Consob regulation on related party transactions, see the specific paragraph in section "2. Information on related-party transactions” in this Part H.

At 31 December 2024, the Banca Ifis Group was owned by La Scogliera S.A. and consists of the Parent company Banca Ifis S.p.A., the wholly-owned subsidiaries Ifis Finance Sp. z o.o., Ifis Rental Services S.r.l., Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A. and Cap.Ital.Fin. S.p.A., of Ifis Finance I.F.N. S.A. controlled 99,99%, the 87,74% owned subsidiary Banca Credifarma S.p.A. and the vehicle Ifis NPL 2021-1 SPV S.r.l., in which the Group holds the majority of the shares.

The types of related parties, as defined by IAS 24, that are relevant for the Banca Ifis Group include:

- the parent company La Scogliera S.A.;
- the associated companies Justlex Italia S.T.A. and Redacta S.T.A. a.r.l.;
- key management personnel of the Parent company;
- close relatives of key management personnel of the Parent Company and the companies controlled by (or associated to) them or their close relatives.

Here below is the information on the remuneration of key management personnel as well as transactions undertaken with the different types of related parties.

1. Information on the remuneration of key management personnel

The definition of key management personnel, as per IAS 24, includes all those persons having authority and responsibility for planning, directing and controlling the activities of the Parent Company Banca Ifis, directly or indirectly, including the Bank's Directors (whether executive or otherwise).

In compliance with the provisions of the Bank of Italy's Circular No. 262 of 22 December 2005 as subsequently updated, key management personnel also include the members of the Board of Statutory Auditors.

Key management personnel in office at 31 December 2024

Figures in thousands of Euro	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	
					Stock options	Other share-based payments
Administrative and auditing bodies (1)	4.895	-	178	-	103	350
Other managers (2)	6.471	44	718	311	36	1.419
Total at 31.12.2024	**11.366**	**44**	**896**	**311**	**139**	**1.769**

(1) These refer to positions on the Board of Directors (or similar bodies) and the Board of Statutory Auditors of the Parent Company Banca Ifis.
(2) They refer to managers with the position of Co-General Manager or other Key Manager of the Parent Company Banca Ifis.

The above information includes fees paid to directors (5,2 million Euro, gross amount) and statutory auditors (361 thousand Euro, gross amount). Post-employment benefits amounting to 44 thousand Euro refer to the health insurance policy for executives terminating their employment due to retirement.

2. Information on related-party transactions

Here below are the assets, liabilities, guarantees and commitments outstanding at 31 December 2024, broken down by type of related party pursuant to IAS 24.

Related party transactions: balance sheet and off-balance sheet items

Items (figures in thousands of Euro)	Parent company	Key management personnel	Other related parties	Total	As a % of the item
Financial assets measured at fair value through profit or loss	-	-	20.920	20.920	8,4%
Financial assets measured at fair value through other comprehensive income	-	-	418	418	0,1%
Receivables due from customers measured at amortised cost	-	1.732	8.612	10.344	0,1%
Other assets	28.745	-	1.510	30.255	7,9%
Total assets	**28.745**	**1.732**	**31.460**	**61.937**	**0,4%**
Payables due to customers measured at amortised cost	-	1.566	4.984	6.550	0,1%
Other liabilities	29.124	-	5.463	34.587	10,2%
Valuation reserves	-	-	(648)	(648)	2,3%
Total liabilities	**29.124**	**1.566**	**9.798**	**40.488**	**0,3%**
Commitments and guarantees (off-balance sheet)	-	*724*	*7.339*	*8.063*	*n.a.*

Related party transactions: income statement items

Items (figures in thousands of Euro)	Parent company	Key management personnel	Other related parties	Total	As a % of the item
Interest receivable and similar income	-	26	-	26	0,0%
Interest due and similar expenses	-	(25)	(8)	(33)	0,0%
Commission income	-	-	3	3	0,0%
Administrative expenses	(1.037)	-	(24.242)	(25.279)	5,9%
Other operating income and expenses	-	2	146	148	0,4%

The transactions with the parent company La Scogliera S.A. concern the application of Group taxation (tax consolidation) in accordance with Arts. 117 et seq. of Italian Presidential Decree No. 917/86. Relations between the parent company and subsidiaries included in the tax consolidation are regulated by private agreements signed between the parties. All adhering entities have an address for the service of notices of documents and proceedings relating to the tax periods for which this option is exercised at the office of La Scogliera S.A., the consolidating company. Under this tax regime, the taxable income and tax losses are transferred to the consolidating company La Scogliera S.A., which is responsible for calculating the overall Group income. With reference to "Other assets", at 31 December 2024 Cap.Ital.Fin. recorded a receivable from the parent company of 986 thousand Euro, Ifis Rental Services a receivable of 4,1 million Euro, while Ifis Npl Investing and Ifis Npl Servicing recorded a receivable of 18,4 million Euro and 1,5 million Euro, respectively. With regard to "Other liabilities", at 31 December 2024, Ifis Rental Services recorded a liability of 7,2 million Euro, Ifis Npl Investing a liability of 20,8 million Euro and Ifis Npl Servicing a liability of 1,0 million Euro.

The amounts recorded under "Other assets" towards the consolidating company La Scogliera totalling 28,7 million Euro almost exclusively represent advance payments made in respect of the 2024 tax period, while the amounts recorded under "Other liabilities" represent the tax burden relating to FY 2024.

Transactions with key management personnel relate almost entirely to mortgages, Rendimax savings and current accounts.

Transactions with other related parties that are part of Banca Ifis's ordinary business are conducted at arm's length. As at 31 December 2024, they include:

- 6,9 million Euro recorded under tangible assets and attributable to activities, mainly carried out in previous years, for the renovation of some buildings owned by Banca Ifis by a subsidiary of a minority shareholder of the Parent Company;
- 1,5 million Euro is included under other activities for the supply of goods and services.

In addition to the above, in 2024, the Group purchased legal services from affiliated companies for 24,2 million Euro, which are then deferred on the basis of the progress of the processing of receivables pertaining to the Npl Segment.

Other information

With reference to Paragraph 8 of Article 5 "Public disclosure of related-party transactions" of the Consob Regulation containing provisions on related party transactions (adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended), for the Banca Ifis Group, there are no significant transactions concluded in 2024.

Part I - Share-based payments

Qualitative information

1. Description of share-based payment agreements

Below are the equity-based payment arrangements, as defined by IFRS 2, for the Banca Ifis Group's staff.

A variable remuneration system is in place for all employees, with the exception of those of a Group subsidiary for which there is a different national collective bargaining agreement classification.

Access to the variable portion for all personnel is subject to compliance with the conditions for access (so-called "gate") provided for by the following indicators measured at year-end:

- Return On Risk-Adjusted Capital (RORAC) at Group level, defined as the ratio between consolidated net profit and Capital absorbed by Pillar 1 risks (i.e. 8% of Pillar 1 Risk Weighted Assets), above the tolerance threshold defined annually in the Banca Ifis Group's Risk Appetite Framework (RAF) at consolidated level;
- compliance with the tolerance threshold, higher than the minimum regulatory limit, of the Group's Liquidity Coverage Ratio (LCR) indicator, as defined annually in the Banca Ifis Group's RAF at a consolidated level in compliance with current supervisory regulations;
- compliance with the tolerance threshold, higher than the minimum regulatory limit, of the Group's Net Stable Funding Ratio (NSFR) indicator, as defined annually in the Banca Ifis Group's RAF at a consolidated level in compliance with current supervisory regulations;
- Consolidated Total Capital Ratio above the tolerance threshold defined annually in the Banca Ifis Group RAF at consolidated level, which exceeds the Overall Capital Requirement announced by the Supervisory Body as part of the “Capital Decisions” following the periodic Supervisory Review and Evaluation Process (SREP).

Failure to meet one of these conditions will result in variable pay not being awarded.

Without prejudice to the opening of the gates to the payment of variable remuneration described above, the variable remuneration of the Chief Executive Officer of the Bank is linked to the achievement of specific qualitative and quantitative performance targets.

In particular, the CEO is the recipient of a Short-Term Incentive System ("STI"). He was also assigned a “2021-2023 Long Term Incentive Plan” (the "LTI Plan"), which vested on 31 December 2023, for which please refer to the disclosure in the specific paragraph in this section.

With reference to the Short-term Incentive (STI) System, the objectives assigned to the CEO represent a combination of quantitative and qualitative criteria, referring to the Bank's results, as well as qualitative aspects relating to strategic action.

The performance scorecard includes the declination of the following KPIs:

- Economic-financial KPIs with a weight of 65%, structured over three specific drivers (profitability, credit cost and efficiency), consistent with the Group's objectives;
- KPI of strategy and sustainability with a weight of 35%, which aim to assess the achievement of strategic directives, as well as the achievement of Group objectives in the ESG area.

The short-term variable remuneration cap payable to the CEO is set at 60% of fixed remuneration; variable remuneration will accrue on the basis of the degree of achievement of objectives, with variable remuneration being paid on a linear progression between 60% and 100%.

This variable component is paid in the amount of 40% with a non-deferred payment (up front) and in the amount of 60% with a deferred payment over a period of five years (starting from the year following the year in which the up front portion accrues), in accordance with the provisions of the relevant supervisory regulations for variable remuneration of particularly high amounts.

The deferred portion of variable remuneration (amounting to 60%) shall be paid as follows:

- 55% (i.e. 33% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year;
- 45% (i.e. 27% of the total variable remuneration) in cash, subject to annual revaluation at the legal rate in force over time.

The portion of variable remuneration up front (40%) and is paid as follows:

- 50% (i.e. 20% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year;
- 50% (i.e. 20% of total variable remuneration) paid in cash.

It is understood that the allocation of Banca Ifis shares will affect, in addition to the Chief Executive Officer and the Co-General Managers, the employees identified as most relevant pursuant to Circular No. 285/2013 and Delegated Regulation No. 923/2021 where the variable component of remuneration is above 50 thousand Euro or represent more than a third of the annual total remuneration.

For the purpose of assigning variable remuneration in financial instruments, or in Banca Ifis shares, the Bank calculates the fair value of the share - at the time of the assignment - based on the average stock market price with reference to the month prior to the date of approval of the Banca Ifis Financial Statements by the Shareholders' Meeting (or, in the case of assignment of variable remuneration for any reason subsequent to the Shareholders' Meeting, from the date of the event, this being understood to mean any dates of signing of agreements or in the absence thereof, the dates of approval by the competent bodies of the related awards). The number of shares is determined by rounding to the nearest integer.

Variable pay is subject to malus/clawback mechanisms that may cause the amount to be as low as zero if certain conditions are met.

Long Term Incentive (LTI) Plan 2021-2023 for the Chief Executive Officer, Co-General Managers and other Group employees

LTI Plan for the CEO

The Chief Executive Officer of Banca Ifis is also the recipient of a Long Term Incentive (LTI) Plan 2021-2023, approved by the Board of Directors on 24 June 2021 and by the Shareholders' Meeting of the Parent Company on 28 July 2021 and which vested on 31 December 2023. The Plan provided for the assignment to the CEO, free of charge, of a certain number of options that will give the right to purchase, at a unit exercise price (the "strike price") equal to 12,92 Euro, a corresponding number of Banca Ifis shares.

The Plan granted the CEO of the Parent Company the right to receive up to a maximum of 696.000 options at the end of the vesting period and on achievement of the objectives of the Plan.

Considering the vesting of the Plan on 31 December 2023 at the end of the three-year vesting period (2021-2023), and the options will become exercisable after an additional year of retention, subject to the circumstance that the relationship between the Bank and the CEO is still in place, and that pre-determined quantitative and qualitative, financial and non-financial targets, linked to the Group's long-term strategies, have been achieved.

The final results confirmed the attainment of the minimum level with reference to the TSR objectives and the maximum level with reference to the economic-financial and ESG indicators. Consequently, on the basis of the resolution of the Shareholders' Meeting of Banca Ifis of 18 April 2024, the Chief Executive Officer was assigned 609.000 option rights, which will be exercisable after a one-year retention period in accordance with the regulatory time-line.

Also for the 2021-2023 LTI Plan, options are granted to the CEO 40% as up front and 60% as deferred over 5 years.

LTI Plan for Co-General Managers and other Group employees

As envisaged in the Plan approved by the Shareholders' Meeting of 28 July 2021, and in execution of the mandate granted to the Board of Directors on that occasion, on 9 June 2022, the latter resolved to include 13 "additional beneficiaries" in the LTI Plan, apart from the CEO, assigning them the same objectives already envisaged for the Chief Executive Officer and illustrated in the 2022 Remuneration Policy. These additions to the Plan were then approved by the Shareholders' Meeting of Banca Ifis on 28 July 2022.

Also for these additional beneficiaries, represented by high-level managers (including 12 key managers and Co-General Managers), the Plan provides for the assignment of a certain number of options that will entitle them to purchase, free of charge and always at a strike price per share of 12,92 Euro, a corresponding number of Banca Ifis shares.

A further addition to this Plan, proposed by the Board of Directors and approved by the Shareholders' Meeting held on 20 April 2023, concerned operational aspects of the Plan's mechanics (which otherwise remains unchanged in all its essential and structural elements, as already approved at the aforementioned Shareholders' Meetings). In particular, the integration consisted in recognising the possibility for beneficiaries, at the opening of each option exercise window, to postpone the exercise of all or part of any options that may have vested and may already be exercised in that window in the subsequent "exercise windows" provided for by the Plan.

It is also noted that during the first half of 2023, the resignation of an executive with strategic responsibility included in the Plan took place, with the consequent loss of his status as a beneficiary of the Plan

As a result of the aforementioned changes in 2022 and 2023, the Plan's beneficiaries, apart from the CEO, total 12, including 11 executives with strategic responsibilities, and the maximum amount of options assignable is 300.000.

This Plan also vested on 31 December 2023 at the end of the vesting period, and the options will become exercisable after an additional year of retention, subject to the circumstance that the relationship between the Group and the beneficiaries is still in place, and that pre-determined quantitative and qualitative, financial and non-financial targets, linked to the Group's long-term strategies, have been achieved. The options will be exercisable upon attainment of the targets under the Plan and for a total number of up to a maximum of 300.000 options (320.000 original) in total that can be allocated to the 12 additional beneficiaries.

The aforementioned options are counted for each of the beneficiaries, for the purpose of calculating the ratio between fixed and variable remuneration, 50% for FY 2022 and the remaining 50% for FY 2023.

For the TSR and gross profit targets, the calculation was carried out for the two-year vesting period, while for the other targets the calculation was based on the results achieved as at 31 December 2023 (thus considering the entire duration of the 2021 - 2023 Plan).

The outcome of the Plan's finalisation found that the TSR objectives were not achieved in view of the two-year vesting period instead of the three-year period; the other objectives were achieved at the maximum level. Consequently, by resolution of the Shareholders' Meeting of Banca Ifis of 18 April 2024 for the remaining 12 beneficiaries, a total of 225.000 option rights were assigned, which will be exercisable at the end of the one-year retention period.

Accounting representation as at 31 December 2024

At an accounting level, this stock option plan has been accounted for in accordance with the provisions of IFRS 2 for equity settled transactions. In view of the difficulty of reliably assessing the fair value of the services received as consideration for stock options, reference is made to the initial fair value of the latter.

The fair value of the payments settled by the issuance of these options for the services covered by the LTI Plan is recognised as an expense in the income statement under "Administrative Expenses: a) Personnel Expenses" as an offsetting entry to "Reserves" in Equity on an accrual basis in proportion to the vesting period over which the service is provided. For 2024, the corresponding cost recognised in the Income Statement amounts to 155 thousand Euro, while the corresponding equity reserve (which also includes the portion of cost accrued in FYs

2021, 2022 and 2023) totals 2,2 million Euro and is associated with only the stock options effectively assigned by resolution passed by the Shareholders' Meeting on 18 April 2024.

For more details on the Banca Ifis Group's equity-based payment arrangements, refer to the “2024 Report on Remuneration Policy and Remuneration Paid”, prepared pursuant to Article 123 ter of the TUF, available in the “Corporate governance” subsection of the “Remuneration” section of the corporate website www.bancaifis.it, where the remuneration policy valid for the Group for FY 2024 is illustrated.

Quantitative information

1. Annual changes

Items / Number of options and strike price	Prudential consolidation			Insurance companies			Other entities			Total 31.12.2024			Total 31.12.2023		
	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity	Number of options	Average prices	Average maturity
A. Opening balance	**-**	**n.a.**	**n.a.**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**n.a.**	**-**	**n.a.**	**n.a.**
B. Increases	**834.000**	**12,92**	**X**	**-**	**-**	**X**	**-**	**-**	**X**	**834.000**	**12,92**	**X**	**-**	**-**	**X**
B.1 New issues	834.000	12,92	Dec-30	-	-	-	-	-	-	834.000	12.92	Dec-30	-	n.a.	n.a.
B.2 Other changes	-	n.a.	X	-	-	X	-	-	X	-	-	X	-	n.a.	X
C. Decreases	**-**	**-**	**X**	**-**	**-**	**X**	**-**	**-**	**X**	**-**	**-**	**X**	**-**	**-**	**X**
C.1 Cancelled	-	n.a.	X	-	-	X	-	-	X	-	-	X	-	n.a.	X
C.2 Exercised	-	n.a.	X	-	-	X	-	-	X	-	-	X	-	n.a.	X
C.3 Matured	-	n.a.	X	-	-	X	-	-	X	-	-	X	-	n.a.	X
C.4 Other changes	-	n.a.	X	-	-	X	-	-	X	-	-	X	-	n.a.	X
D. Closing balance	**834.000**	**12,92**	**Dec-30**	**-**	**-**	**-**	**-**	**-**	**-**	**834.000**	**12,92**	**Dec-30**	**-**	**-**	**n.a.**
E. Options that can be exercised at the end of the year	**-**	**n.a.**	**X**	**-**	**-**	**X**	**-**	**-**	**X**	**-**	**-**	**X**	**-**	**n.a.**	**X**

The above table of annual changes is corroborated only for options related to the 2021-2023 Long Term Incentive (LTI) Plan that expired on 31 December 2023. As instead regards the share-based payment agreements intended by way of short-term incentive (“STI”), these do not fall within the category concerned by said table.

With regard to the stock options related to the LTI Plan, as described above, they were granted during 2024 following the Plan's vesting on 31 December 2023, and as of 31 December 2024 they were not yet exercisable, as they are exercisable after an additional one-year retention period starting on 31 December 2023 (i.e. from 1 January 2025).

2. Other information

If a result is achieved that equals or exceeds 100% of the annual targets assigned, the variable component of Top Management will be considered as accrued in the amount of 100% of its value; the number of shares to be attributed will be in any case calculated as described above.

Part L - Segment reporting

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 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 economic result.

Identification of the "operating Segments" of this Part L is consistent with the methods adopted by the Corporate 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. With this in mind, and also in order to improve the representation of the Group's profitability, operating Segments are also highlighted that fall below the quantitative thresholds laid down in par. 13 of IFRS 8.

For FY 2024, the operating Segments taken as a reference for the provision of the information under review are the same as those used for the Consolidated financial statements at 31 December 2023, namely:

- 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;
- 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.

For a description of the configuration of the above-mentioned operating Segments, please refer to the information contained in the "Results by operating Segments" section of the Directors' Report on the Group.

The following tables provide detailed income statement and balance sheet data by Segment at 31 December 2024 compared with the corresponding figures for the previous year.

To allow a more immediate reading of the results, reclassified economic data is prepared within this Part L.

Analytical details of the restatements and reclassifications made with respect to the financial statements envisaged by Bank of Italy Circular 262 are provided in separate tables published among the annexes (see the section “Annexes to the Consolidated financial statements" of this document), also in compliance with the requirements of Consob Communication no. 6064293 of 28 July 2006.

Reclassifications and aggregations of the economic data concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (SRF and NRF) and the Deposit Protection Mechanism (DGS or FITD) are shown under a separate item called “Charges related to the

banking system" (which is excluded from the calculation of "Operating costs"), instead of being shown under "Other administrative expenses" or "Net allocations to provisions for risks and charges";
- the following is included under the single item "Net credit risk losses/reversals":
  - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
  - net allocations to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

The balance sheet components were aggregated without reclassification.

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

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

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 31.12.2024	143.933	*975*	-	*142.958*	36.293	56.806	**237.032**
Amounts at 31.12.2023	107.169	*975*	-	*106.194*	41.735	73.078	**221.982**
% Change	34,3%	*0,0%*	-	*34,6%*	(13,0)%	(22,3)%	**6,8%**
Financial assets measured at fair value through other comprehensive income							
Amounts at 31.12.2024	993	-	-	*993*	-	700.837	**701.830**
Amounts at 31.12.2023	1.333	-	-	*1.333*	-	747.843	**749.176**
% Change	(25,5)%	-	-	*(25,5)%*	-	(6,3)%	**(6,3)%**
Receivables due from customers (1)							
Amounts at 31.12.2024	6.985.624	*2.900.077*	*1.612.971*	*2.472.576*	1.521.001	2.303.393	**10.810.018**
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	3,3%	*1,9%*	*3,9%*	*4,5%*	(7,6)%	4,1%	**1,8%**
Goodwill							
Amounts at 31.12.2024	-	-	-	-	38.020	-	**38.020**
Amounts at 31.12.2023	-	-	-	-	38.020	-	**38.020**
% Change	-	-	-	-	0,0%	-	**0,0%**
Other assets							
Amounts at 31.12.2024	163.000	*163.000*	-	-	-	219.965	**382.965**
Amounts at 31.12.2023	208.748	*208.748*	-	-	-	235.944	**444.692**
% Change	(21,9)%	*(21,9)%*	-	-	-	(6,8)%	**(13,9)%**

(1) In the Governance & Services and Non-Core Segment, at 31 December 2024, there are government securities amounting to 1.579,0 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	**238.795**	***114.552***	***50.530***	***73.713***	**280.300**	**13.410**	**532.505**
Net commission income	**96.175**	***63.979***	***10.786***	***21.410***	**(1.041)**	**(3.359)**	**91.775**
Other components of net banking income	16.454	*11*	-	*16.443*	16.957	41.461	**74.872**
of which: Gains (losses) on the disposal of financial assets	-	-	-	-	*16.068*	-	***16.068***
Net banking income	**351.424**	***178.542***	***61.316***	***111.566***	**296.216**	**51.512**	**699.152**
Net credit risk losses/reversals	(40.413)	*(6.763)*	*(4.508)*	*(29.142)*	52	2.691	**(37.670)**
Net profit (loss) from financial activities	**311.011**	***171.779***	***56.808***	***82.424***	**296.268**	**54.203**	**661.482**
Operating costs	**(164.065)**	***(89.547)***	***(34.000)***	***(40.518)***	**(199.185)**	**(43.666)**	**(406.916)**
Charges related to the banking system	-	-	-	-	-	(8.136)	**(8.136)**
Net allocations to provisions for risks and charges	(3.194)	*(8.905)*	*(344)*	*6.055*	2.227	489	**(478)**
Non-recurring expenses and income	-	-	-	-	(610)	-	**(610)**
Pre-tax profit (loss) for the period from continuing operations	**143.752**	***73.327***	***22.464***	***47.961***	**98.700**	**2.890**	**245.342**
Income taxes for the year relating to current operations	(48.144)	*(24.558)*	*(7.524)*	*(16.062)*	(33.056)	(968)	**(82.168)**
Profit (loss) for the year	**95.608**	***48.769***	***14.940***	***31.899***	**65.644**	**1.922**	**163.174**
(Profit) loss for the year attributable to non-controlling interests	-	-	-	-	-	(1.596)	**(1.596)**
Profit (loss) for the year attributable to the Parent Company	**95.608**	***48.769***	***14.940***	***31.899***	**65.644**	**326**	**161.578**

As specifically regards the Npl Segment, below is the breakdown of net loans by credit quality.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Net bad loans	1.184.378	1.276.812	(92.434)	(7,2)%
Net unlikely to pay	308.540	335.773	(27.233)	(8,1)%
Net non-performing past due exposures	3.837	4.029	(192)	(4,8)%
Total net non-performing exposures to customers (stage 3)	**1.496.755**	**1.616.614**	**(119.859)**	**(7,4)%**
Total net performing exposures (stages 1 and 2)	24.246	29.544	(5.298)	(17,9)%
- of which: proprietary loans acquired	*10.666*	*12.601*	*(1.935)*	*(15,4)%*
- of which: loans disbursed	*533*	*13.929*	*(13.396)*	*(96,2)%*
- of which: debt securities	*11.602*	*1.848*	*9.754*	*527,8%*
- of which: receivables related to servicer activities	*1.445*	*1.166*	*279*	*23,9%*
Total on-balance-sheet receivables due from customers	**1.521.001**	**1.646.158**	**(125.157)**	**(7,6)%**
- of which: owned receivables acquired measured at amortised cost	***1.507.421***	***1.629.215***	***(121.794)***	***(7,5)%***

For a more detailed analysis of the results of the operating Segments, please refer to the section “Contribution of operating Segments to Group results” of the Directors’ Report on the Group.

Part M - Leasing disclosure

Section 1 - Lessee

Qualitative information

As lessee, the Group companies stipulate lease contracts on properties mainly to be used instrumentally. They are therefore leases of properties intended to host internal offices. As the lease business is correlated to the Group's need to offshore its offices, particularly close attention is paid to identifying the most suitable properties for use, designated in line with the economic criteria established by the Group.

At 31 December 2024, there are 60 passive lease contracts for buildings and 9 for car parking spaces, the related right of use (ROU) booked at 31 December 2024 is 16,4 million Euro, whilst the corresponding lease liabilities come to 16,9 million Euro. The Group also has a property in Florence, financially leased as described in "Part B - Information on the Consolidated Statement of Financial Position" of these Consolidated Notes.

As regards the contracts for cars, the Group has passive contracts for 341 cars at 31 December 2024, which are mainly long-term hires of structure cars and fringe benefits for employees. The related rights of use at 31 December 2024 are 4,3 million Euro, while the corresponding liabilities for leasing come to 4,2 million Euro.

The Group is not exposed to outgoing cash flows, which are not already reflected in the measurement of the leasing liabilities. In greater detail, exposure deriving from the extension options are included in lease liabilities booked, insofar as the Group considers the first renewal as certain; the other situations recalled by the standard (variable payments connected with leasing, guarantees of residual value, lease commitments that are not yet operative) are not present for the contracts stipulated as lessee.

The Group books the following costs:

- short-term leases in the event of assets such as properties and technologies (in particular, the mainframe hardware), when the related contracts have a maximum term of twelve months and have no option for extension;
- leases of low-unit-value assets (in accordance with the option granted by paragraph 5 of IFRS 16), identified as those with a replacement value of less than 5 thousand Euro, mainly related to mobile telephony.

Quantitative information

The table below provides indication on the amortisation/depreciation cost for assets consisting of the right of use, broken down by classes of underlying asset.

AMORTISATION/DEPRECIATION COSTS FOR ASSETS COMPRISING THE RIGHT OF USE (in thousands of Euro)	31.12.2024	31.12.2023
a) Land	-	-
b) Buildings	2.726	2.497
c) Furniture	-	-
d) Electronic equipment	461	157
e) Other	1.884	1.384
Total	**5.070**	**4.039**

Section 2 - Lessor

Qualitative information

The Group operates on the market with fixed or variable-rate financial leasing solutions for vehicles (cars, commercial and industrial vehicles) and instrumental assets (industrial machinery, medical equipment, technological assets) to both private customers and small and medium enterprises (SMEs) through an internal commercial structure and a network of selected agents in financial assets throughout the whole of national territory. The leasing of instrumental assets is also distributed through relations with manufacturers, distributors and retailers. With reference to the specific financial leasing segments:

- Automotive: in 2024, this segment recorded an increase compared to 2023 both in terms of the number of vehicles (+3.2%) and value financed (+7,3%). Particularly noteworthy is the positive performance of the comparator relative to industrial vehicles with growth of 11,4% compared to 2023, and of commercial vehicles with an increase of 19,6%. In this segment, the Group has signed contracts for approximately 377,8 million Euro (+3,5% compared with the amount disbursed in 2023);
- instrumental sector: this sector in 2024 in Italy decreased by 12,9% compared to the 2023 figure. The Group recorded a decrease of 20,5% in the industrial goods segment.

As lessor, the Parent Company does not stipulate lease contracts for properties for commercial use or accommodation with third parties and/or other Group companies.

In referring to the greater detail given in the section “Contribution of operating Segments to Group results” of the Directors’ Report on the Group, it is there pointed out that the lease agreements stipulated with customers enable the management of risk on the underlying assets in line with the Group’s policy, as there is no provision for buy-back agreements, guarantees on residual value or variable payments. The Group therefore books the financial lease in accordance with accounting standard IFRS 16 and classifies the transactions amongst financial assets measured at amortised cost.

Quantitative information

1. Information from the statement of financial position and income statement

For information on loans connected with financial lease transactions, reference is made to the contents of "Section 4 - Financial assets measured at amortised cost” of the Assets of “Part B - Information on the Consolidated Statement of Financial Position” of these Consolidated Notes. As regards interest income on lease loans, reference is made to the contents of “Section 1 - Interest - Items 10 and 20” of “Part C - Information on the Consolidated Income Statement" of the Consolidated Notes; for commissions, refer to “Section 2 - Commissions - Items 40 and 50” of Part C and, finally, for other operating income, refer to “Section 16 - Other operating income (costs) - Item 230” against of Part C.

2. Finance leases

2.1. Classification by time frames of payments to be received and reconciliation with the leasing loans entered under assets

Time frames	31.12.2024	31.12.2023
	Payments to be received for leasing	Payments to be received for leasing
Up to 1 year	99.713	91.696
Over 1 to 2 years	213.905	200.027
Over 2 to 3 years	355.603	316.150
Over 3 to 4 years	441.146	438.561
Over 4 to 5 years	437.348	438.810
Over 5 years	62.171	83.080
Total payments to be received for leasing	**1.609.886**	**1.568.324**
RECONCILIATION WITH LOANS		
Financial gains not accrued (-)	(182.898)	(173.038)
Residual value not guaranteed (-)	-	-
Financing for leasing	**1.426.988**	**1.395.286**

The table shows the classification by time frame of payments receivable for leasing and the reconciliation of such payments and lease loans as lessor. The table does not show impairment losses totalling 29,8 million Euro at 31 December 2024 (32,9 million Euro in 2023).

2.2 Other information

There is no further information to report than that presented in the preceding paragraphs.

3. Operating leases

The case referred to in this disclosure is not applicable to the Banca Ifis Group.

Venice - Mestre, 6 March 2025

For the Board of Directors

The CEO

Frederik Herman Geertman

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

2024 Annual Report

Country-by-country reporting

Banca Ifis

Country-by-country reporting

Here below, with reference to the position at 31 December 2024, is the information as per the Annex A of Part I, Title III, Chapter 2 of Bank of Italy's Circular No. 285 (the "Country-by-Country" reporting).

For information on subsidies, contributions, paid assignments and economic advantages of any kind received by Group companies, please refer to the National Register of State Aid, "Transparency" section.

	INFORMATION/GEOGRAPHIC AREA	ITALY	POLAND	ROMANIA	OTHER CONSOLIDATION ENTRIES	GROUP
a)	Company name	Banca Ifis S.p.A. Banca Credifarma S.p.A. Cap.Ital.Fin. S.p.A. Ifis Npl Investing S.p.A. Ifis Npl Servicing S.p.A. Ifis Rental Services S.r.l.	Ifis Finance Sp. z o.o.	Ifis Finance I.F.N. S.A.	-	Banca Ifis Group
	Nature of business	Banking for Banca Ifis S.p.A. and Banca Credifarma S.p.A.; Financial for Cap.Ital.Fin. S.p.A., Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A. and Ifis Rental Services S.r.l..	Financial	Financial	-	Banking and financial
b)	Turnover (1) (in thousands of Euro)	640.259	7.293	2.721	(81.940)	568.333
c)	Number of full-time equivalents (2)	1.935	14	16	-	1.965
d)	Pre-tax profit or loss (in thousands of Euro)	317.839	5.712	649	(78.858)	245.342
e)	Income tax (in thousands of Euro)	(80.981)	(1.084)	(69)	(34)	(82.168)

(1) Turnover corresponds to the net banking income as per item 120 "Net banking income" of the Consolidated Income Statement at 31 December 2024.
(2) The "Number of full-time equivalents" is calculated, in accordance with the relevant provisions, as the ratio of total hours worked by all employees (including overtime) and the total contract work hours per year of a full-time employee (i.e. the total available work hours in a year excluding 20 days of annual leave).

2024 Annual Report

Attestations and reports

Banca Ifis

Certification of the Sustainability Statement at 31 December 2024 in accordance with Art. 81-ter, paragraph 1 of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Frederik Herman Geertman, Chief Executive Officer, and Massimo Luigi Zanaboni, Manager charged with preparing the Company's financial reports of Banca Ifis S.p.A., hereby certify, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of 24 February 1998, that the Sustainability Statement included in the Group's Management Report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;
b) with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Venice - Mestre, 6 March 2025

CEO	Manager Charged with preparing the Company's financial reports
Frederik Herman Geertman	Massimo Luigi Zanaboni

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

Certification of the Consolidated Financial Statements as at 31 December 2024 pursuant to article 154-bis, paragraph 5, of Italian Legislative Decree No. 58 of 24 February 1998 and Art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

1. We, the undersigned, Frederik Herman Geertman – CEO and Massimo Luigi Zanaboni - Manager charged with preparing the Company's financial reports of Banca Ifis S.p.A., having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:

   i. the adequacy in relation to the characteristics of the Company;

   ii. the actual application of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements, during the period 1 January 2024 - 31 December 2024.

2. The adequacy of the administrative and accounting procedures in place for preparing the Consolidated Financial Statements has been assessed through a process established by Banca Ifis S.p.A. on the basis of the guidelines set out in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO), an internationally accepted reference framework.

3. The undersigned further confirm that:

   3.1 the Consolidated Financial Statements:

   a) have been prepared in accordance with the Accounting Standards applied recognized by the European Union pursuant to (EC) Regulation no. 1606/2002 of the European Parliament and the Council of 19 July 2002;

   b) correspond to the accounting books and records;

   c) provide a true and fair representation of the equity, economic and financial situation of the issuer and the whole of the companies included in the scope of consolidation.

   3.2 the Directors' Report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group of companies included in the scope of consolidation and a description of the main risks and uncertainties they are exposed to.

Venice - Mestre, 6 March 2025

CEO	Manager Charged with preparing the Company's financial reports
Frederik Herman Geertman	Massimo Luigi Zanaboni

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

Board of Statutory Auditors' report

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING

(Pursuant to article 153, of Legislative Decree no. 58/1998 and Article 2429, paragraph 2 of the Italian Civil Code)

(Translation from the original Italian text)

Dear Shareholders,

The Board of Statutory Auditors of Banca Ifis S.p.A. (hereinafter also "Banca Ifis" or the "Bank" or "Ifis"), pursuant to Article 153 of Legislative Decree no. 58/1998 and Article 2429, paragraph 2, of the Italian Civil Code, is required to report to the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2024 on the supervisory activity performed during the year in compliance with the duties attributed to it by Article 149 of the aforementioned legislative decree.

Background

During FY 2024, the Board of Statutory Auditors (hereinafter also referred to as the 'Board') in office met 23 times, of which 5 times jointly with the Control and Risk Committee and 1 time jointly with the Boards of Statutory Auditors of the Italian Companies directly and indirectly controlled by Banca Ifis.

During 2025 and up to the date of this Report, 8 meetings of the Board of Statutory Auditors were held, 2 of which were held jointly with the Control and Risks Committee.

1. Activity of the Board of Statutory Auditors

During the financial year ended 31 December 2024, the Board of Statutory Auditors carried out its institutional duties in compliance with the provisions of the Civil Code, Legislative Decree No. 385/1993 (the “Consolidated Law on Banking” or "TUB"), Legislative Decree No. 58/1998 (the “Consolidated Law on Finance” or "TUF"), Law No. 231/2007, the provisions of the Articles of Association, the indications contained in the Code of Corporate Governance, the principles of conduct recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors), as well as the special laws on the subject and the provisions issued by the Supervisory Authorities (Bank of Italy and Consob).
Moreover, since Banca Ifis has adopted the traditional governance model, the Board of Statutory Auditors is identified with the “Internal Control and Audit Committee”, which is responsible for further specific control and monitoring functions in the area of financial reporting and auditing provided for by Article 19 of Legislative Decree no. 39 of 27 January 2010, as amended by Legislative Decree 135, dated 17 July 2016.

Where the Board of Statutory Auditors considered it necessary to make recommendations and suggestions, it communicated them both during the meetings held with the internal functions concerned, and directly to the body with management or strategic supervision functions and to the relevant internal board Committees, as minuted over time.

The Board of Statutory Auditors reported periodically to the Board of Directors on the activities carried out and the opinions given. Furthermore, the Board of Statutory Auditors, taking into account the provisions of the new "Rules of Conduct for the Board of Statutory Auditors of Listed Companies" approved by the CNDCEC in December 2024 (and applicable from 1 January 2025) and, in particular in Rule Q.1.7 - Self-Assessment of the Board of Statutory Auditors - conducted, with the assistance of an external consulting firm, a self-assessment process, as a result of which the Board of Statutory Auditors expressed an overall assessment of adequacy in relation to its size and composition, as well as a favourable opinion on the requirements of professionalism, independence and integrity and on the functioning mechanisms of the body.

Moreover, in compliance with the provisions of Rule Q.1.5 - Remuneration - of the aforementioned document, the outgoing Board of Statutory Auditors, taking into account its experience and the results of the aforementioned self-assessment process, in view of the renewal, has given Shareholders its guidance as to the professional profiles and skills that would appropriately complement the qualitative composition of the Board, as well as the time commitment required to perform the task and the remuneration appropriate to attract persons of adequate standing, without neglecting the provisions of Law No. 49 of 21 April 2023. This information is contained in the document "Qualitative and quantitative composition deemed optimal of the Board of Statutory Auditors 2025", prepared with the assistance of an external consulting firm and made available to shareholders at the same time as the publication of the supplement to the notice of call of the Shareholders' Meeting concerning the renewal of the Board of Statutory Auditors - convened for this coming 17 April - by means of publication on the Bank's website on 7 March.

In this Report, the Board of Statutory Auditors gives an account of the activities carried out during the financial year, separately for each supervisory area provided for by the regulations governing the activities of the Board.

2. Significant events and transactions

2.1 Period events and transactions

In carrying out the activities of supervision and control, the Board of Statutory Auditors obtained periodically from the Directors, including through the participation in meetings of the Board of Directors, information on the activities carried out and on the most important economic, financial and equity operations approved and implemented by the Bank and by the subsidiaries, also pursuant to Article 150, paragraph 1 of the Consolidated Law on Finance.

Reference should be made to the information provided in the Report on Operations regarding significant events during the year and after year-end.

On 18 January 2024, the Board of Directors of the Bank approved the 2024 Liquidity Funding Plan, a document that goes into detail on the current and prospective capital structure of the Banca Ifis Banking Group and assesses, also with a view to the sound and prudent management of the Bank, the evolution of the sources of liquidity funding from the point of view of both the quality of funding and the mix of the various technical forms that make it up, as well as the changes in the balances for the time buckets envisaged.

This document envisages, amongst other aspects, two new Senior Preferred bond issues for a total value of up to 600 million Euro (indicatively two issues of 300 million Euro each).
In the context of the financial instrument issuance programme known as the "Euro Medium Term Note Programme" (the "EMTN Programme") - entered into in September 2017 and, most recently, renewed for 2024 by board resolution passed on 6 June 2024 - during 2024, Banca Ifis S.p.A. has therefore (i) on 18 January 2024 approved the partial buy-back of an amount of up to 50 million Euro of the senior preferred bond issued on 25 February 2020, maturing on 25 June 2024, and (ii) on 20 February 2024, completed the placement of a senior preferred bond issue in the amount of 400 million Euro, maturing in 5 years.

Funding activities also include the restructuring of the "ABCP Programme" securitisation of factoring receivables worth 1,15 billion Euro, approved by the Board of Directors of Banca Ifis S.p.A. on 9 May 2024 and successfully concluded on 28 June 2024, concerning the sale on a revolving basis of receivables due from private customers arising from the Bank's ordinary factoring activities, acquired both without and with recourse.

With regard to TLTRO III funding, TLTRO lines amounting to 1.536 million Euro were repaid during FY 2024. In particular, the early repayment path continued, with respect to the legal maturity of 25 September 2024, for a nominal amount of 1.125 million Euro (of which 750 million Euro repaid in March 2024 and 375 million Euro repaid at the end of June 2024), completing well in advance all the managerial actions aimed at repaying the residual nominal amount of 411,5 million Euro, which took place on 25 September 2024, bringing the amount of TLTRO III lines repaid to a nominal 2.036,5 million Euro.

On 18 April 2024, following the resignation tendered on 30 January 2024 by Founder Sebastien Egon Fürstenberg from his position as member of the Board of Directors of Banca Ifis effective 8 February 2024, the Shareholders' Meeting resolved to appoint Prof. Nicola Borri in the role of independent Director.

As part of the Banca Ifis Group's framework for managing climate change, on 18 September 2024, the Board of Directors approved the Task Force on Climate-related Financial Disclosures Report (Group 2023 TCFD Report), including the Transition Plan. The document, now in its second edition, aims to further deepen the Group's efforts in the area of climate change disclosure, with particular reference to the strategy adopted by the Group to achieve the declared objectives of the Net Zero Banking Alliance (the "Transition Plan").

During FY 2024, the merger of Revalea S.p.A. into the subsidiary Ifis Npl Investing S.p.A. was finalised, effective as of 11 November 2024, with effect for accounting and tax purposes backdated to 1 January 2024. As of that date, Ifis Npl Investing S.p.A. therefore took over as of right and without interruption, pursuant to Article 2504-bis of the Italian Civil Code, all the merged company's assets and liabilities and all of its reasons, shares and rights, including all the merged company's receivables. The integration is part of the initiatives of the 2022-2024 Business Plan aimed at further simplifying and specialising the organisational structure of the Banca Ifis Group and, in particular, that of the Npl sector.

On 7 November 2024, the Board of Directors resolved to distribute an interim dividend for FY 2024 for a total amount of 63 million Euro, i.e. 1,2 Euro per share (gross of any withholding taxes).

With reference to the extraordinary tax on the "extra-profits" of banks under Law No. 136/2023, the corresponding allocation to reserves, resolved by the Shareholders' Meeting on 18 April 2024, amounts to 23,9 million Euro.

During FY 2024, the three-year 2022-2024 Business Plan and D.O.E.S. (Digital, Open, Efficient, Sustainable), were successfully completed, accelerating the Banca Ifis Group's long-term, sustainable growth path.

2.2 Significant subsequent events

Significant events subsequent to the close of FY 2024 that this Board believes should be recalled include the following.

On 7 January 2025, the Board of Directors of Banca Ifis met in an extraordinary session to resolve on the approval of the promotion of the voluntary all-inclusive takeover and exchange offer on illimity Bank S.p.A.

On 8 January 2025, by means of a notice issued pursuant to Art. 102, paragraph 1 of Italian Legislative Decree No. 58/98 (the 'TUF') and Article 37 of the regulations adopted by CONSOB Resolution No. 11971/99 (the 'Issuers' Regulations'), the offer was disclosed to the market. At the same time, the Extraordinary Shareholders' Meeting was convened for 17 April 2025, in a single call, in order to deliberate on the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital, in one or more tranches.

In the context of the Public Takeover Bid, on 27 January 2025, Banca Ifis filed (i) the application for authorisation to acquire a controlling interest (up to 100%) in the capital of illimity Bank S.p.A. with the Bank of Italy and the European Central Bank, (ii) the Offer Document with the National Commission for Companies and the Stock Exchange (Consob) and (iii) the notice pursuant to antitrust regulations with the Antitrust Authority (AGCM). The latter, in the current month of March, issued authorisation for the merger between the Banca Ifis Group and the illimity Bank Group, without imposing any conditions, limitations and prescriptions.
Furthermore, on 14 March 2025, the Prime Minister's Office forwarded to Banca Ifis the resolution accepting the proposal of the Ministry of Economy and Finance not to exercise the special powers under the “Golden Power” regulation in relation to the acquisition by Banca Ifis, through the Offer, of the entire share capital of illimity Bank S.p.A.

Lastly, on 20 March 2025, the Board of Directors of Banca Ifis S.p.A. approved the 2025 Liquidity Funding Plan as well as the funding forecasts for 2026.

3. Supervisory activities

3.1 Supervisory Activities on compliance with the law and the Articles of Association

The undersigned Board of Statutory Auditors monitored compliance with the law and the Articles of Association, acquiring the information instrumental to the performance of the tasks assigned to it through the articulated system of information flows provided for in the Group, as well as through participation, as a collegial body or with the presence of at least one member, in all meetings of the Board of Directors (16), in all meetings of the Control and Risk Committee (21) - of which five held jointly with the Board of Statutory Auditors - in all meetings of the Remuneration Committee (9) and the Appointments Committee (10).

The undersigned Board of Statutory Auditors also participated in the Ordinary Shareholders' Meeting held on 18 April 2024 for the approval of the financial statements as at 31 December 2023 and in the Extraordinary and Ordinary Shareholders' Meeting held in a single call on 28 November 2024 for the approval of the amendment of Articles 6, 7, 9 and 11 of the Articles of Association to comply with Articles 135-undecies. 1 and 127-quinquies, paragraph 1, of the Consolidated Law on Finance in order to implement, *inter alia*, the possibility of attributing two votes for each share of the Bank that has belonged to the same person for a continuous period of at least 24 months from the date of registration in the special list ("Ordinary Increased Vote").

In this regard, on 22 November 2024, the Company received a complaint from a shareholder, pursuant to Article 2408 of the Italian Civil Code, addressed to the Chairman of Consob and the Chairman of the Board of Statutory Auditors of Banca Ifis concerning the non-application of the right of withdrawal pursuant to Article 2437, paragraph 1, points f) and/or g) of the Italian Civil Code for amendment of Articles 6 and 9 of the Articles of Association. This complaint was promptly examined by the Control Body, which, after due investigation, found the allegations to be unfounded.

In the course of 2024, the members of the current Board of Statutory Auditors participated in various training and induction courses on topics related to supervisory activities, risk scenarios, market dynamics, digital innovation, the evolution of corporate governance rules, ESG topics and regulatory and legislative matters. Such refresher training is carried out as part of the training plan prepared in compliance with the provisions of Circular 285/2013 (point e., paragraph 2.1, Section IV, Chapter 1, Title IV), taking into account the individual as well as the collective training needs of the Bank's control body and governing body.

The minutes of the Board of Statutory Auditors, which sometimes contain explicit recommendations to rapidly resolve difficulties that have come to light, are made available, in full, to the CEO and to the Chairman of the Board of Directors. The Chairman of the Control and Risk Committee is constantly invited to attend the meetings of the Board, in the belief that this ensures an adequate flow of information within the company.

The Head of Internal Auditing also attends the meetings of the Board of Statutory Auditors, as a permanent invitee for the continuous interaction with the corporate function of third-level control.

During FY 2024, the Board of Statutory Auditors:

- expressed opinions pursuant to Article 2389, paragraph 3 of the Civil Code on the remuneration of directors holding special offices;
- expressed opinions in relation to what are termed "non-audit fees" for non-audit services, as provided for by the regulations in force and by the internal procedure adopted by the Company, verifying in particular their effects on independence, with no exceptions to be noted;
- received, as mentioned, a complaint from a shareholder pursuant to Article 2408, paragraph 1 of the Italian Civil Code.

Relations with Supervisory Authorities

Bank of Italy

On 21 February 2025, the Bank of Italy, in a letter addressed to the Company, represented the need to "*repeat the collection of funding plans for 2025 as well*" in order to "*have reliable information to promptly identify potential vulnerabilities*", in consideration of the uncertainties and changes in the reference framework, including the continuation of geopolitical tensions at an international level and the weak macroeconomic outlook, which confirm the importance for banks to ensure suitable monitoring of the liquidity risk. In detail, the Bank of Italy requested the Less Significant Institutions (LSIs) and, therefore, also the Company, to provide "*updated funding plans for the two-year period 2025 - 2026, together with comparative data for 2024 and any contingency plans*". The Bank of Italy also requested that this information be submitted to the Board of Directors and the Board of Statutory Auditors for evaluation, based on prior feedback from the Risk Management department. Following this communication, Banca Ifis drew up an updated version of the planning forecasts and this Board of Statutory Auditors expressed its assessments.

In this context, subsequent to the approval of the 2024 Liquidity Funding Plan on 18 January 2024, on 06 June 2024 the Board of Directors approved the update of the Contingency Funding Plan for 2024 and, lastly, on 20 March 2025 approved the 2025 Liquidity Funding Plan as well as the funding forecasts for 2026.

On 23 December 2024, the Bank of Italy published a communication to the market on ICT security, drawing the attention of directly supervised intermediaries to the profiles of digital operational resilience and ICT risk and inviting them both to assess their own positioning with respect to the Digital Operational Resilience Act (DORA) and to carry out a self-assessment of their ICT risk management framework, to be transmitted to the Bank of Italy by 30 April 2025.

In 2024, the Control Body held a cognitive meeting with the new Bank of Italy team - Banking Supervision Service 2 of the Banking and Financial Supervision Department - in order to establish a positive and constructive relationship with the Supervision, also with a view to mutual cooperation.

3.2 - Supervision of compliance with the principles of proper administration, relations with subsidiaries or other related parties

The Board of Statutory Auditors, as part of its supervisory activity on the observance of the principles of proper administration - also in compliance with the obligation set forth in Article 150 of the Consolidated Law on Finance - periodically obtained from the Directors, the Chief Executive Officer (hereinafter also referred to as 'CEO'), the control functions and the management, information on the activities carried out and on the most significant economic, financial and equity transactions carried out by the Company and its subsidiaries, as well as on the Group's strategic guidelines.

The Board of Statutory Auditors held regular meetings with the Manager Charged with preparing the Company's financial reports and the internal control functions. Hearings were scheduled with the Bank's management and periodic meetings were held with the representatives of the independent auditors in order to mutually exchange data and information relevant to the performance of their duties, as required by Article 150, paragraph 3 of the Consolidated Law on Finance.

On the basis of the information made available to the Board of Statutory Auditors, it would appear reasonable to believe that the transactions resolved by the Board of Directors and implemented by the CEO are not in breach of the law, the Articles of Association and the provisions issued by the Supervisory Authorities, as it can also be reasonably excluded that they are manifestly imprudent, or risky, or in conflict of interest, or in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.

Acknowledging the Directors' Report, the information produced to the Board of Directors by the CEO, the Supervisory Board pursuant to Legislative Decree No. 231/2001, and in light of the findings gathered as part of its supervisory activities, it is possible, on the part of the Board of Statutory Auditors, to reasonably exclude the existence of atypical and/or unusual transactions entered into with third parties, with Group companies or with related parties and associated parties.

With specific reference to transactions with related parties, the Board of Statutory Auditors regularly receives periodic information flows on any transactions concluded with such related parties and connected persons and to monitor the performance of exposures attributable to connected persons; where necessary, it has proceeded to request further information and details.

Detailed and exhaustive information is given on related party transactions in the specific section "Related Party Transactions" of the Directors' Report as well as in Part H of the Notes to the Consolidated and Separate Financial Statements.

As far as the Board of Statutory Auditors is aware, these transactions were concluded in the interest of the Bank and do not give rise to any remarks on their fairness, as they are part of Ifis' ordinary operations. It is therefore acknowledged that adequate information was provided to the Board of Statutory Auditors on transactions concluded with related parties and/or connected persons, in accordance with Consob provisions and in compliance with the provisions on connected persons set forth in Bank of Italy Circular 285.

The Board of Statutory Auditors has monitored the adequacy of the instructions issued by the Bank to its subsidiaries, verifying the effectiveness of the exchange of information and information flows between the Parent Company and the subsidiaries. The rules and procedures in place enable the Parent Company to fulfil its public disclosure obligations in a timely manner in accordance with the provisions of Article 114, paragraph 2 of the Consolidated Law on Finance.

The Board of Statutory Auditors, as also provided for in Article 151-ter, paragraph 4, of the Consolidated Law on Finance, exchanged information flows with the Boards of Statutory Auditors of the subsidiaries, both on the basis of special joint meetings and through the completion of a questionnaire for the exchange of information prepared on an annual basis. In addition, as part of the process of appointing the statutory auditors for the period 2023-2031, in order to ensure continuity in the application of the Single Auditor principle for the Group, the procedure to identify the Auditor has been put in place by Ifis and the companies belonging to the Group.

In 2024, the Board reviewed the audits conducted by Internal Audit regarding the outsourcing of Essential or Important Operating Functions and agreed with the comments contained therein.

3.3 - Supervisory activities on the implementation of corporate governance

In relation to the provisions of Article 149, paragraph 1, letter c-*bis*, of the Consolidated Law on Financial Intermediation concerning the supervision by the Board of Statutory Auditors '*on the procedures for the concrete implementation of the corporate governance rules set forth in codes of conduct drawn up by management companies of regulated markets or by trade associations, which the company, by means of public disclosures, declares that it complies with*', the Board of Statutory Auditors reports that it performed this activity during the year. Pursuant to Article 123-*bis* of the Consolidated Law on Financial Intermediation, the Company prepared its annual Report on Corporate Governance and Ownership Structures (hereinafter also referred to as the 'Corporate Governance Report') for 2024, which was approved on 6 March 2025, to which reference should be made for further details, which illustrates, *inter alia*, Banca Ifis' administration and control model and provides full information on the manner in which the Bank has adopted and implemented the recommendations made by the Corporate Governance Committee.

The Board of Statutory Auditors also supervised the adoption of the policy for the remuneration of directors and key managers, in line with the provisions of the Corporate Governance Code, as well as the subsequent Remuneration Report pursuant to Article 123-*ter* of the Consolidated Law on Finance, expressing an opinion on the adequacy of the remuneration policy adopted by the Bank with respect to the purposes expressed in this area by Circular 285/2013 and the Remuneration Report itself.

The Board of Statutory Auditors, also through its attendance of all the meetings of the Remuneration Committee, oversaw the application of the remuneration policies and 2024 innovations, examined by the Remuneration Committee on 05 March 2025, and submitted to the Shareholders' Meeting for approval.

At the above-mentioned meeting of the Remuneration Committee, the Board of Statutory Auditors acknowledged the positive opinion expressed by Compliance on the compliance of the Remuneration Report with the applicable regulatory provisions, sharing its conclusions and comments. At the 19 March 2025 meeting of the Remuneration Committee, the Board also acknowledged, and shared the comments contained, the checks conducted by the Internal Audit function and set out in the document "Compliance of remuneration practices with internal policies and reference regulations", checks which led to a substantially favourable opinion.

In general, in light of the provisions of the Supervisory Authorities on the subject of remuneration and incentive systems, the Board of Statutory Auditors monitored, in close connection with the Remuneration Committee, the changes introduced to the 2025 Remuneration Policy, although substantially in line with that of 2024, examined by the Remuneration Committee on 5 March 2025, for details of which reference should be made to the Remuneration Report, on the correct application of the rules relating to the remuneration of the Chief Executive Officer, the heads of the Control Functions and the Manager Charged with preparing the company’s financial reports, and on the dissemination of the remuneration policies for FY 2025 to the companies belonging to the Group.

The Board of Statutory Auditors has no objections to the Remuneration Policy submitted to the Shareholders' Meeting.

3.4 - Supervision of the statutory audit process and the independence of the auditing firm

Pursuant to the Consolidated Law on Auditing (Art. 19 of Legislative Decree No. 39/2010 as amended by Legislative Decree No. 135/2016) the Board of Statutory Auditors (identified by the Consolidated Act as the "Internal Control and Statutory Audit Committee") is in charge of (i) informing the board of directors of the audited entity of the outcome of the statutory audit and transmitting to that body the additional report referred to in Article 11 of the European Regulation, accompanied by any observations, (ii) monitoring the statutory audit of the annual and consolidated accounts (iii) verifying and monitoring the independence of the statutory auditors or statutory audit firms pursuant to Articles 10 and 17 of the aforementioned decree and Art. 6 of European Regulation 537/2014 (the "European Regulation"), in particular with regard to the adequacy of the provision of non-audit services to the audited entity in accordance with Art. 5 of such Regulation and (iv) the responsibility for the procedure to select statutory auditors or audit firms and to recommend statutory auditors or audit firms for appointment pursuant to Art. 16 of the European Regulation.

In this context, the Board of Statutory Auditors currently in office carried out an ongoing monitoring process of the activities performed in 2024 and up to the date of this report by PricewaterhouseCoopers S.p.A. (hereinafter also referred to as 'PwC'), both through meetings at special meetings of the Board of Statutory Auditors and at joint meetings of the Board of Statutory Auditors and the Control and Risks Committee.

Information to the Board of Directors on the outcome of the statutory audit and the Additional Report pursuant to Art. 11 of the European Regulation

In relation to the auditing company, the Board of Statutory Auditors reports that PwC has today issued the Additional Report pursuant to Article 11 of the European Regulation, from which no significant deficiencies emerge in the internal control system for financial reporting and/or in the accounting system.

Supervisory activities on the statutory audit of annual and consolidated accounts

- the accounts were audited in accordance with the regulations by the auditing firm PwC to which the Shareholders' Meeting of 28 April 2022 appointed the auditor for financial years 2023-2031;
- the Board of Statutory Auditors met periodically with the auditing firm PwC, and the meetings did not reveal any significant facts worthy of mention concerning the auditing activity nor any decisive deficiencies in the integrity of the internal control system with regard to the financial reporting process in particular;
- PwC today issued its report containing its opinion on the financial statements and consolidated financial statements prepared in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the measures issued in implementation of Art. 9 of Legislative Decree No. 38/05 and Article 43 of Legislative Decree No. 136/15. Furthermore, in the same report, PwC issued an opinion on the consistency of the Directors' Report and the

information in the Corporate Governance Report with the Financial Statements. This report does not contain any remarks or requests for information.

– on the same date, PwC issued for the first time an attestation report on the compliance of the Consolidated Sustainability Statement with the European Sustainability Reporting Standards ("ESRS") and Article 8 of Regulation (EU) No. 852/2020 ("Taxonomy Regulation")

Independence of the audit firm, in particular with regard to the provision of non-audit services

With regard to the annual confirmation of independence pursuant to Art. 6, paragraph 2, letter a) of the European Regulation and paragraph 17 of Standard ISA Italia 260, the Board of Statutory Auditors represents that it received written confirmation from the auditing firm on 10 March 2025.

The Board of Statutory Auditors monitored the independence of the auditing firm and, in particular, received periodic evidence of the non-audit assignments to be assigned (or assigned by virtue of specific regulatory provisions) to the statutory auditor.

As can be seen from the consolidated financial statements of the Banca Ifis Group, in 2024, the auditing firm PricewaterhouseCoopers S.p.A. and the other companies of the PwC network performed the following activities in favour of the Group:

Company and reporting period (*Euro/000*)		**PwC**		**Other companies in the PwC network**		
		Independent auditors' fees	**Certification services**	**Independent auditors' fees**	**Other services (*)**	**Total**
Banca Ifis S.p.A.	2024	362,7	242,2	-	33,2	638,1
Subsidiaries	2024	426,5	40,0	83,6	-	550,2
Total		**789,3**	**282,2**	**83,6**	**33,2**	**1.188,3**

(*) "Other services" include due diligence for the acquisition of VAT credits.

The Board of Statutory Auditors considers that the aforementioned fees are appropriate to the size, complexity and characteristics of the work performed and also considers that the engagements (and related fees) other than audit services are not such as to affect the statutory auditor's independence. The Board also verified that the tasks entrusted to the auditing firm are not among those prohibited for the auditing company in office under the aforementioned European Regulation.

It is also acknowledged that the Board of Directors and the undersigned Board of Statutory Auditors have shared the view that it is deemed appropriate for the appointed auditing firm to focus on its typical activity and to be involved, either directly or through companies belonging to its network, limited to projects that have already been commissioned and for which the assignment to another firm might be uneconomic.

Appointment as statutory auditor for the period 2023-2031

Please note that the 2024 Annual Report of Banca Ifis represents the second financial statements whose accounts have been audited by PwC, following the audit engagement for FYs 2023-2031 on the grounded proposal of the Board of Statutory Auditors, by resolution of the shareholders' meeting of Banca Ifis on 28 April 2022.

3.5 - Supervisory activities on the administrative-accounting system and on the financial report and non-financial disclosure processes

Referring to the aforementioned Article 19 of Legislative Decree No. 39/2010 as amended by Legislative Decree no. 135/2016, the Board of Statutory Auditors, in monitoring the financial reporting process, interacted with the Control and Risk Committee set up within the Board of Directors, in order to coordinate their respective competences and avoid any overlapping of activities. In this regard, the Board of Statutory Auditors participated, where possible with all its members, in the activities of the Control and Risk Committee, particularly when they referred to issues of specific relevance for the purposes of Legislative Decree No. 39/2010 and the above-mentioned supervisory matters, making relations fluid and facilitating the coordination and exchange of information between the two bodies.

With specific reference to the different areas of supervision, we would point out the following.

Supervision of the financial reporting process

The Board of Statutory Auditors verified the existence of rules and procedures governing the process of the formation and dissemination of financial information. In this regard, the Corporate Governance Report defines the reference guidelines for the establishment and management of the system of administrative and accounting procedures for Ifis and its consolidated companies, regulating the relevant steps and responsibilities.

The Board of Statutory Auditors examined, with the assistance of the Manager Charged with preparing the Company’s financial reports, the procedures relating to the preparation of the Company's financial statements and consolidated financial statements, as well as other periodic accounting documents. The Board of Statutory Auditors also had evidence of the process by which the Manager Charged with preparing the Company’s financial reports and the director delegated to do so can issue the certifications required by Article 154-*bis* of the Consolidated Law on Finance.

The Board of Statutory Auditors has been informed that the administrative/accounting procedures for the preparation of the financial statements and all other financial disclosures are prepared under the responsibility of the Manager charged with preparing the company’s financial reports, who, together with the Chief Executive Officer, certifies the adequacy and effective application of these procedures in the preparation of the separate and consolidated financial statements and the half-year financial report.

The Board of Statutory Auditors acknowledges that it has not received, during the periodic meetings held with the Manager Charged with preparing the company’s financial reports, any reports of significant deficiencies in the operational and control processes that could affect the judgement of the adequacy and effective application of the administrative-accounting procedures, for the purpose of the correct representation of the economic, equity and financial situation of management events, in accordance with international accounting standards.

The annual financial statements of the Bank and the consolidated financial statements of the Group, in application of Legislative Decree no. 38/2005 are prepared by applying the IAS/IFRS issued by the International Accounting Standards Board and the related interpretations of the International Financial Reporting Interpretations Committee, endorsed by the European Commission, as established by European Community Regulation no. 1606/2002.

European Commission Regulation 815/2019 (the “European Single Electronic Format” or “ESEF” Regulation), issued in order to implement Directive 2004/109/EC (the “Transparency Directive”), introduced the obligation to prepare the annual financial reports of issuers whose securities are listed on regulated markets in the European Union in a single electronic reporting format. For 2024, it is expected that only the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements must be "branded" to the ESEF taxonomy, according to the “Inline XBRL” specifications of the basic taxonomy issued by the ESMA. Since the document “2024 Financial Statements” also includes the separate financial statements of the parent company, the entire document is in XHTML format.

The Bank's separate financial statements and the Group's consolidated financial statements are prepared on the basis of the instructions issued by the Bank of Italy in Circular 262/2005 and subsequent updates. The draft financial statements of Ifis at 31 December 2024 and the consolidated financial statements of the Group at 31 December 2024 were approved by the Board of Directors at its meeting on 6 March 2025. The public disclosure, in accordance with the provisions of the prudential supervisory regulations, was made through the Bank's website within the deadlines set for the publication of financial statements.

The Board of Statutory Auditors also examined declarations, issued on 6 March 2025 by the CEO and by the Manager Charged with preparing the company’s financial reports, in accordance with the provisions contained in Article 154 *bis* of the Consolidated Law on Finance and in Article 81 *ter* of Consob Regulation 11971/1999, including the certification of the Sustainability Statement at 31 December 2024, from which no shortcomings emerged that might affect the judgement of adequacy of the administrative-accounting procedures.

PwC, during the periodic meetings and in the light of the Additional Report - provided for by Article 11 of Regulation (EU) no. 537/2014 issued today, did not report any critical situations to the Board of Statutory Auditors that could affect the internal control system relating to the administrative and accounting procedures, nor did it ever highlight facts that were deemed reprehensible or any irregularities that would require reporting pursuant to Article 155, paragraph 2, of the Consolidated Law on Finance.

As already mentioned, the Board of Directors has prepared, in accordance with the law, the Financial Statements and Consolidated Financial Statements as at 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the measures issued in implementation of Art. 9 of Legislative Decree No. 38/05, both of which are audited by PwC.

With regard to the above, no elements were revealed that would lead to the conclusion that the activity has not been carried out in accordance with the principles of correct administration or that the organisational structure, the system of internal audit and accounting and administrative systems were not, in their entirety, substantially adequate to the needs and dimensions of the company.

Consolidated Sustainability Statement

Banca Ifis, as a public interest entity (PIE), is required to publish the Consolidated Sustainability Statement in line with the provisions of Legislative Decree no. 125/24, which must comply with the standards set by the European Financial Reporting Advisory Group (EFRAG) and the requirements of other applicable European regulations, such as EU Regulations 2088/2019 and 852/2020.

This requires a dual approach, considering both the impacts of the company on society and the environment (inside-out perspective) and how sustainability factors affect the company itself (outside-in perspective).

The Board of Statutory Auditors plays a central role in monitoring the adequacy and effective functioning of the internal control and risk management system, with particular reference also to sustainability issues and the new provisions introduced by the Corporate Sustainability Reporting Directive (CSRD).

In this context, the Board of Statutory Auditors, pursuant to Art. 10, para. 1, Legislative Decree No. 125/2024, monitored compliance with regulatory requirements governing the Sustainability Statement, verifying the Bank's implementation of appropriate procedures and processes to ensure the reliability and transparency of non-financial information. To this end, the Board interacted with the corporate structures in charge of monitoring ESG topics, the Control and Risk Committee and the Internal Audit Department.

Information was gathered through a centralised process as part of which Banca Ifis's functions consolidated the data received from all subsidiaries under the supervision of the Finance function.

In addition, the Board of Statutory Auditors monitored the integration of ESG factors into the Bank's business models and risk management systems, promoting constant alignment with national and international best practices. Particular attention was also paid to the Bank's involvement in the analysis of the so-called dual materiality required by CSRD, i.e. the assessment of the Bank's impacts on the environment and society, as well as the risks and opportunities that sustainability topics may generate on the business.

The Board of Statutory Auditors actively participated in the processes of verification and assurance of sustainability information, also in cooperation with the statutory auditor. This activity included assessing the reliability of the data, analysing the methodologies adopted to measure ESG impacts and the consistency of the reported information with international sustainability standards.

In addition, the Board of Statutory Auditors promoted an ongoing dialogue with governance bodies and relevant stakeholders to foster a proactive and integrated approach to sustainability, helping to strengthen the transparency and credibility of the company's ESG reporting.

In this context, on 28 November 2024, the Board of Directors of the Bank, after receiving the favourable opinion of the Control Body, approved to grant the Manager Charged with preparing the Company’s financial reports the additional task of internally certifying the compliance of the

Sustainability Statement with the reporting standards, including the information required by the Taxonomy Regulation, pursuant to Legislative Decree No. 125/2024 and the TUF.

In the area of sustainability certifications, this Board of Statutory Auditors also expressed a favourable opinion on the assignment for the external attestation on the conformity of the Sustainability Statement to be assigned to the company already in charge of the statutory audit, in line with the assignments previously assigned to the same on NFS.
The Board of Auditors therefore issued its reasoned opinion for the assignment of the limited assurance of the consolidated sustainability statement, to be prepared pursuant to Legislative Decree No. 125/2024 in implementation of the CSRD both for the financial year ending 31.12.2024 and for the financial years following 31.12.2024 and up to 31.12.2031, on which the Shareholders' Meeting convened to approve the 2024 financial statements will be called to resolve.

3.6 - Supervisory activities on the adequacy of the internal audit system, of the risk management systems and of the organisational structure

The Group's internal control system is based on:

- control bodies and functions, involving in particular, each for their respective competences, the Board of Directors, the Control and Risk Committee, the Director in charge of the internal control and risk management system, the Board of Statutory Auditors, as well as the other corporate functions with specific tasks in this respect;
- information flows and coordination between the parties involved in the internal control and risk management system.

The design of Banca Ifis's system of internal controls, briefly described, has three levels:

- first-level (or line) controls: exercised directly by the operational and back-office structures, which are primarily responsible for the risk management process;
- second-level controls: exercised by the risk management function (identifies the risks to which Banca Ifis and the Group companies are exposed and periodically measures and monitors these risks through specific indicators, planning any mitigation actions), the compliance function (verifies the effectiveness of the organisational measures proposed and implemented for the purpose of non-compliance risk management) and the anti-money laundering function;
- third-level controls: exercised by the internal audit function, through activities aimed at identifying violations of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality and reliability of the internal control system and the information system.

In carrying out its activities, the Board of Statutory Auditors maintained continuous contact with the various control functions, as well as supervised the adequacy of the systems of internal control and risk management systems through:

- meetings with the management of the Bank;
- regular meetings with the various control departments (i.e., Internal Audit, Compliance, Anti-money laundering (AML) and Risk Management and the Manager Charged with

preparing the company's financial reports) in order to evaluate the methodology for the planning of operations, based on the identification and evaluation of the principal risks present in the organisational processes and units;

- examination of the periodical reports from the Audit Functions and the periodical information regarding the results of monitoring activities;
- acquired information from the managers of corporate functions;
- discussion of the results of the work carried out by the independent auditing firm;
- participation in the work of the Risk Management and Control Committee and, when the topics so required, in their joint examination with the Committee.

The Board of Statutory Auditors acknowledges that the annual reports from the Control Departments conclude with a substantially favourable judgement on the internal control system.

Over the course of 2024, the Board of Statutory Auditors supervised the suitability and effects of the entire ICAAP and ILAAP 2024 processes on the requirements set out by the regulations, underscoring the usefulness of appropriate data aggregation, integration, and validation processes to maintain the aforementioned documents.

Intervention plans were provided with reference to the activities and areas for improvement identified, whose timely implementation is judged by the Board of Statutory Auditors as essential and that require particular attention by the management body.

On the basis of the activities carried out, the Board of Statutory Auditors - also in relation to the continuous evolution of the Bank and the Group - believes that although there are certain areas for possible further improvement, there are no elements that are sufficiently critical as to invalidate the internal control system and risk management.

The Board of Statutory Auditors was today updated about the meetings held by the Supervisory Body and the exchange of information was also ensured by the dialogue that took place within the Board of Statutory Auditors with the auditor who is a member of the Supervisory Body, without receiving any reports and/or comments worthy of note.

* * *

The Board of Statutory Auditors is not aware, in addition to what has already been discussed earlier, of facts or details that need to be communicated to the Shareholders' Meeting.

In the course of the activity performed and on the basis of the information obtained, no omissions, reprehensible facts, irregularities or in any case other significant circumstances were detected that would require reporting to the Supervisory Authorities or mention in this Report.

Concluding remarks

As detailed in this Report, the Board of Statutory Auditors verified the functionality of the internal procedures, which were found to be sufficiently adequate and suitable to ensure compliance with the law, regulations and Articles of Association. The Board of Statutory Auditors ascertained that the decision-making process takes into account the riskiness and effects of the management choices made and that the corporate bodies have a sufficient information flow system, also with reference to any interests of the Directors. The organisational structure, the administrative accounting system and the statutory audit process were found to be adequate and functional for the tasks they are called upon to perform. It was also verified that there were no elements such as to render the internal control system and the governance and risk management process unreliable, even though they presented aspects for improvement that the Board of Statutory Auditors had pointed out in the exercise of its mandate.

Final considerations and proposals to the Shareholders' Meeting

This Report details the control activities carried out and the actions taken by the Board of Statutory Auditors with regard to the information obtained and the supervisory activities performed in fulfilment of its duties.

In light of the overall supervisory activity performed, in relation to the audits concluded at the date of publication of this Report, the Board of Statutory Auditors of Banca Ifis has no observations to make to the Shareholders' Meeting pursuant to Article 153, paragraph 2, of Legislative Decree no. 58/1998 concerning the financial statements and their approval as well as matters falling within its competence.

In actual fact, taking into account all of the foregoing, considering the content of the opinions issued by the Independent Auditors and having acknowledged the attestations issued jointly by the Chief Executive Officer and the Manager Charged with preparing the company's financial reports, including the internal attestation and the Report by the Independent Auditing Firm on the Sustainability Statement (included in the Directors' Report) - the Board of Statutory Auditors does not deem that there exist - to the extent of its competence - any elements hindering the approval of the financial statements of Banca Ifis S.p.A. as at 31 December 2024 accompanied by the Directors' Report and the Notes to the Financial Statements, as resolved by the Board of Directors on 6 March 2025.

Venice - Mestre, 26 March 2025

THE BOARD OF STATUTORY AUDITORS

Andrea Balelli (Chairman)

Annunziata Melaccio (Standing Auditor)

Franco Olivetti (Standing Auditor)

Independent auditors' report on the Sustainability Statement

Independent auditor's limited assurance report on the consolidated sustainability statement

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Banca Ifis SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability statement of the Banca Ifis Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Banca Ifis Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");
- the information set out in paragraph *"Other sustainability information - Disclosures pursuant to Article 8 of Delegated Regulation (EU) 2020/852 (Taxonomy Regulation)"* of the consolidated sustainability statement is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under the Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability* section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

PricewaterhouseCoopers SpA

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

www.pwc.com/it

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The consolidated sustainability statement for the year ended 31 December 2024 contains, in the specific section *"Other sustainability information - Disclosures pursuant to Article 8 of Delegated Regulation (EU) 2020/852 (Taxonomy Regulation)"*, the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Banca Ifis SpA for the consolidated sustainability statement

The directors of Banca Ifis SpA are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability statement in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the paragraph *"Impact, risk and opportunity management: Double materiality assesstment - Description of the processes to identify and assess material impacts, risks and opportunities"* of the consolidated sustainability statement.

The directors are also responsible for preparing the consolidated sustainability statement, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph *"Other sustainability information - Disclosures pursuant to Article 8 of Delegated Regulation (EU) 2020/852 (Taxonomy Regulation)"*.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

pwc

Inherent limitations in the preparation of the consolidated sustainability statement

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated sustainability statement, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

The disclosure provided by the entity about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated sustainability statement.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability statement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.
The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Banca Ifis SpA responsible for the preparation of the information presented in the consolidated sustainability statement, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability statement;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible exposures and to determine the proportion aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability statement;
- We reconciled the information reported in the consolidated sustainability statement with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability statement in accordance with the ESRS;
- We obtained management's representation letter.

Milano, 26 March 2025

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers.

Independent auditors' report on the Consolidated Financial Statements

Independent auditor's report

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

To the shareholders of
Banca Ifis SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Banca Ifis group (hereinafter the "Group"), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position as of 31 December 2024 and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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

www.pwc.com/it

pwc

Key audit matters	*Auditing procedures performed in response to key audit matters*

Valuation of receivables due from customers measured at amortised cost

Notes to the consolidated financial statements:
Part A - Accounting policies
Part B – Information on the consolidated statement of financial position – Assets, Section 4
Part C – Information on the consolidated income statement, Section 8
Part E – Information on risks and related hedging policies

Receivables due from customers, other than financial assets attributable to credit portfolios purchased by the NPL segment, as of 31 December 2024 are the largest part of financial position line item 40 b) *"Financial assets measured at amortised cost – Receivables due from customers"* which totals Euro 10,810 million, corresponding to 78.2 per cent of total assets.

Net credit losses booked in the year for these loans, total Euro 42 million and are the directors' best estimate of expected credit losses at the reporting date made on the basis of the applicable reporting standards.

The process of classification into different risk categories and the expected credit losses valuation criteria are characterized by a high level of complexity and high degree of judgement and require the estimation of several variables. The use of significant assumptions is particularly relevant for measuring the significant increase in credit risk ("SICR"), allocating loans to the different risk stages ("Staging") and determining assumptions and inputs to the models used for the expected credit loss ("ECL") calculation and, with specific regards to loans assessed on an individual basis (Stage 3), for estimating the future cash flows, recovery times and the recoverable amount of any collateral.
In the current year, in addition to the recurring process of updating the input data and risk parameters, the Group, made some changes, revised some estimation processes compared to the previous year and, as in previous

In performing our audit procedures, we considered internal control relevant to the financial reporting process.

To address this key audit matter, we performed the following relevant procedures, with the support of the experts of the PwC network as needed:

- Assessing the adequacy of the IT environment and testing the operating effectiveness of the applicable key controls over the systems and computer applications used by the Group for the valuation of receivables due from customers;
- Understanding and evaluating the design of key controls related to the monitoring, classification and impairment valuation of receivables due from customers and tests of their operating effectiveness;
- Understanding and assessing the appropriateness of the policies, procedures and models used for determining the *SICR*, *Staging* and *ECL* calculation both collectively and individually, also in the light of the changes introduced during the year to criteria and models in use. Special attention was paid to the assumptions and evaluations underlying the *"post model adjustments/management overlays"* applied;
- Understanding and reviewing the methods used to define the estimation parameters for the models used to determine the ECL and assessing the updates introduced during the year and testing the calculation method of some parameters.
  In particular, we assessed the reasonableness of the macroeconomic scenarios assumed, also by checking their consistency with external sources,

Key audit matters	*Auditing procedures performed in response to key audit matters*
years,applied "*post model adjustments/management overlays*" to consider the uncertainties in the macroeconomic environment as well as some additional risk factors not adequately captured by the models in use. Considering the materiality of the amount, the high complexity of the estimation processes and the high degree of judgement involved we considered the valuation of these loans as a key audit matter.	as well as their probabilities weighting, also in the light of the uncertainties in the macroeconomic environment; • Assessing the correct application of the defined criteria for loans classified as not impaired (Stage 1 and Stage 2) and, of the completeness and accuracy of the data used for the *ECL* calculation; • Testing, for a sample of loans, of the reasonableness of their classification as not impaired (Stage 1 and Stage 2) versus impaired (Stage 3) based on the available information about the debtor's status and other supporting evidences, including external information; • For impaired loans (Stage 3), in order to assess the reasonableness of the directors' conclusions, considering the classification criteria and categories required by the applicable financial and regulatory reporting framework, testing, for a sample of loans, of the reasonableness of the assumptions used to determine the future cash flows from work-out activity, in the valuation of collaterals and to estimate recovery times; • Critical assessment of the control activities carried out during the year by internal control functions (in particular by the Validation function), of the related outcomes and of the remedial actions undertaken; • Performing comparative and trend analysis of the volumes of receivables due from customers and related coverage ratios, also by comparing data of previous years and information related to publicly available industry data; • Reviewing of ECL sensitivity analyses to the macroeconomic scenarios that influence the risk parameters of the models used; • Testing the completeness and adequacy of financial statements disclosures in accordance with International Financial Reporting

Key audit matters	*Auditing procedures performed in response to key audit matters*
	Standards, the applicable regulatory framework and the communications and recommendations issued by the Supervisory Authorities.
Valuation of loans of NPL segment *Notes to the consolidated financial statements:* *Part A - Accounting policies* *Part B – Information on the consolidated statement of financial position – Assets, Section 4* *Part C – Information on the consolidated income statement, Sections 6 and 8* *Part E – Information on risks and related hedging policies* Financial position line item 40 b) *"Financial assets measured at amortised cost – Receivables due from customers"* includes Euro 1,507 million of exposures relating the "NPL segment" resulting from the acquisition without recourse of portfolios of non-performing loans (NPL) mainly unsecured and difficult to collect, in particular by the subsidiary IFIS NPL Investing SpA. The contribution to the result of the year recorded in income statement line items 10 *"Interest receivable and similar income"*, 100 a) *"Profit (loss) from sale or buyback of financial assets measured at amortised cost"* and 130 a) *"Net credit risk losses/reversals on financial assets measured at amortised cost"* amounts to a total of Euro 332 million. Under the IFRS 9 *"Financial Instruments"* standard, these loans are to be treated as purchased or originated credit impaired financial assets (so called POCI) and, therefore, measured at amortised cost on the basis of the credit adjusted effective interest rate determined by estimating the cash flows expected from collection activities. For this estimate, the Group uses both deterministic criteria and proprietary models developed also on the basis of internal historical data relating to debtors and their payment behaviour. These criteria and models differ depending on the processing phase, the characteristics of individual exposures, as well as the type of recovery procedures applied (extrajudicial or judicial).	In performing our audit procedures, we considered internal control relevant to the financial reporting process. To address this key audit matter, we performed the following relevant procedures, with the support of the experts of the PwC network: • Assessing the adequacy of the IT environment and testing the operating effectiveness of the applicable key controls over the systems and computer applications used for the measurement of these loans; • Understanding and evaluating the design of key controls related to the recognition and measurement of these loans and tests of their operating effectiveness; • Understanding and assessing the appropriateness of the policies, criteria and models used for estimating cash flows expected from collection activities; • Critical analysis of the control activities carried out during the year by internal control functions (in particular by the Validation function) and of the related outcomes. Special attention was paid to the activities relating the evaluation of models' performance through back-testing analysis; • Assessing the correct application of the defined valuation criteria and of the completeness and accuracy of the databases used for the calculation of amortised cost;

Key audit matters	*Auditing procedures performed in response to key audit matters*
Considering the materiality of the amount of these loans, the high complexity of the estimation processes and the high degree of judgement involved, we considered this aspect as a key audit matter.	• Assessing, also through sensitivity analyses, of the reasonableness of specific assumptions underlying the calculation of the amortised cost; • Assessing, on a sample basis, of the qualitative characteristics of individual exposures and information regarding recovery procedures, in order to assess the reasonableness of the expected cash flows and recovery times as well as the accuracy of other information relevant to the amortised cost calculation; • Comparative analysis procedures by correlating, for each recovery and valuation method, the balance sheet data with the respective P&L effects and with the related cash flows collected, as well as analysis and discussion with management of significant variances; • Testing the completeness and adequacy of financial statements disclosures in accordance with International Financial Reporting Standards and the applicable regulatory framework.

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

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

pwc

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

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

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

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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

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

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

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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

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

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

On 28 April 2022 the shareholders of Banca Ifis SpA in general meeting engaged us to perform the statutory audit of the Bank's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

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

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

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Banca Ifis SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

pwc

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Banca Ifis SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Banca Ifis group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

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

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;

- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;

- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of Banca Ifis group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have nothing to report.

pwc

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Milan, 26 March 2025

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

As disclosed by the Directors, the accompanying consolidated financial statements of Banca Ifis Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

2024 Annual Report

Attachments to the Consolidated Financial Statements

Banca Ifis

Reconciliation between reclassified consolidated financial statements and consolidated financial statements

RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)			31.12.2024	31.12.2023
Cash and cash equivalents			**505.016**	**857.533**
+	*10.*	*Cash and cash equivalents*	*505.016*	*857.533*
Financial assets held for trading			**12.069**	**12.896**
+	*20.a*	*Financial assets measured at fair value through profit or loss: a) financial assets held for trading*	*12.069*	*12.896*
Financial assets mandatorily measured at fair value through profit or loss			**237.032**	**221.982**
+	*20.c*	*Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value*	*237.032*	*221.982*
Financial assets measured at fair value through other comprehensive income			**701.830**	**749.176**
+	*30.*	*Financial assets measured at fair value through other comprehensive income*	*701.830*	*749.176*
Receivables due from banks measured at amortised cost			**703.763**	**637.567**
+	*40.a*	*Financial assets measured at amortised cost: a) receivables due from banks*	*703.763*	*637.567*
Receivables due from customers measured at amortised cost			**10.810.018**	**10.622.134**
+	*40.b*	*Financial assets measured at amortised cost: b) receivables due from customers*	*10.810.018*	*10.622.134*
Hedging derivatives			**7.404**	**-**
+	*50.*	*Hedging derivatives*	*7.404*	*-*
Equity investments			**24**	**24**
+	*70.*	*Equity investments*	*24*	*24*
Property, plant and equipment			**166.665**	**143.255**
+	*90.*	*Property, plant and equipment*	*166.665*	*143.255*
Intangible assets			**85.488**	**76.667**
+	*100.*	*Intangible assets*	*85.488*	*76.667*
of which: - goodwill			***38.020***	***38.020***
Tax assets			**213.464**	**285.435**
a) current			**42.033**	**46.601**
+	*110.a*	*Tax assets: a) current*	*42.033*	*46.601*
b) deferred			**171.431**	**238.834**
+	*110.b*	*Tax assets: b) deferred*	*171.431*	*238.834*
Other assets			**382.965**	**444.692**
+	*130.*	*Other assets*	*382.965*	*444.692*
Total assets			**13.825.738**	**14.051.361**

RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)			31.12.2024	31.12.2023
Payables due to banks			**1.443.250**	**2.717.139**
+	*10.a*	*Financial liabilities measured at amortised cost: a) payables due to banks*	*1.443.250*	*2.717.139*
Payables due to customers			**7.001.763**	**5.814.624**
+	*10.b*	*Financial liabilities measured at amortised cost: b) payables due from customers*	*7.001.763*	*5.814.624*
Debt securities issued			**3.152.737**	**3.288.895**
+	*10.c*	*Financial liabilities measured at amortised cost: c) securities issued*	*3.152.737*	*3.288.895*
Financial liabilities held for trading			**13.765**	**14.005**
+	*20.*	*Financial liabilities held for trading*	*13.765*	*14.005*
Hedging derivatives			**14.868**	**11.644**
+	*40.*	*Hedging derivatives*	*14.868*	*11.644*
Tax liabilities			**51.924**	**57.717**
a) current			**23.345**	**26.025**
+	*60.a*	*Tax liabilities: a) current*	*23.345*	*26.025*
b) deferred			**28.579**	**31.692**
+	*60.b*	*Tax liabilities: b) deferred*	*28.579*	*31.692*
Other liabilities			**339.377**	**387.554**
+	*80.*	*Other liabilities*	*339.377*	*387.554*
Post-employment benefits			**7.569**	**7.906**
+	*90.*	*Post-employment benefits*	*7.569*	*7.906*
Provisions for risks and charges			**52.339**	**58.178**
+	*100.a*	*Provisions for risks and charges: a) commitments and guarantees granted*	*5.559*	*5.374*
+	*100.b*	*Provisions for risks and charges: b) pensions and similar obligations*	*231*	*196*
+	*100.c*	*Provisions for risks and charges: c) other provisions for risks and charges*	*46.549*	*52.608*
Valuation reserves			**(28.144)**	**(39.215)**
+	*120.*	*Valuation reserves*	*(28.144)*	*(39.215)*
Reserves			**1.543.729**	**1.505.424**
+	*150.*	*Reserves*	*1.543.729*	*1.505.424*
Interim dividends (-)			**(63.084)**	**(62.962)**
+	*155.*	*Interim dividends (-)*	*(63.084)*	*(62.962)*
Share premiums			**85.391**	**84.108**
+	*160.*	*Share premiums*	*85.391*	*84.108*
Share capital			**53.811**	**53.811**
+	*170.*	*Share capital*	*53.811*	*53.811*
Treasury shares (-)			**(20.971)**	**(21.817)**
+	*180.*	*Treasury shares (-)*	*(20.971)*	*(21.817)*
Equity attributable to non-controlling interests (+/-)			**15.836**	**14.240**
+	*190.*	*Equity attributable to non-controlling interests (+/-)*	*15.836*	*14.240*
Profit (loss) for the year			**161.578**	**160.110**
+	*200.*	*Profit (loss) for the year (+/-)*	*161.578*	*160.110*
Total liabilities and equity			**13.825.738**	**14.051.361**

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		31.12.2024	31.12.2023
Net interest income		**532.505**	**566.197**
+ 30.	*Net interest income*	*402.018*	*431.368*
	+ 10. Interest receivable and similar income	*835.367*	*774.427*
	+ 20. Interest due and similar expenses	*(433.349)*	*(343.059)*
+ 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*130.487*	*134.829*
Net commission income		**91.775**	**98.221**
+ 60.	*Net commission income*	*91.775*	*98.221*
	+ 40. Commission income	*111.574*	*112.271*
	+ 50. Commission expense	*(19.799)*	*(14.050)*
Other components of net banking income		**74.872**	**40.198**
+ 70.	*Dividends and similar income*	*12.543*	*16.172*
+ 80.	*Net profit (loss) from trading*	*(1.924)*	*(5.306)*
+ 90.	*Net result from hedging*	*(1.140)*	*(100)*
+ 100.a	*Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost*	*32.666*	*12.902*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*332*	*(398)*
+ 100.b	*Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income*	*8.204*	*2.656*
+ 100.c	*Gains (losses) on sale/buyback of: c) financial liabilities*	*64*	*1.027*
+ 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*	*24.127*	*13.245*
Net banking income		**699.152**	**704.616**
+ 120.	*Net banking income*	*568.333*	*570.185*
+ 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*130.487*	*134.829*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*332*	*(398)*
Net credit risk losses/reversals		**(37.670)**	**(52.407)**
+ 130.a	*Net credit risk losses/reversals related to: a) financial assets measured at amortised cost*	*92.914*	*79.337*
- 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*(130.487)*	*(134.829)*
+ 130.b	*Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income*	*483*	*(80)*
+ 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(332)*	*398*
+ 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*(248)*	*2.767*
Net profit (loss) from financial activities		**661.482**	**652.209**
+ 150.	*Net profit (loss) from financial activities*	*661.730*	*649.442*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*332*	*(398)*
+ 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(332)*	*398*
+ 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*(248)*	*2.767*

<< Continues on next page >>

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		31.12.2024	31.12.2023
Administrative expenses		**(417.390)**	**(402.011)**
a) personnel expenses		**(169.852)**	**(163.802)**
+ 190.a	*a) personnel expenses*	*(169.852)*	*(163.802)*
b) other administrative expenses		**(247.538)**	**(238.209)**
+ 190.b	*b) other administrative expenses*	*(256.284)*	*(260.857)*
- 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*610*	*11.455*
- 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*8.136*	*11.193*
Net impairment losses/reversals on property, plant and equipment and intangible assets		**(23.276)**	**(17.706)**
+ 210.	*Net impairment losses/reversals on property, plant and equipment*	*(12.215)*	*(9.721)*
+ 220.	*Net impairment losses/reversals on intangible assets*	*(11.061)*	*(7.985)*
Other operating income/expenses		**33.750**	**25.069**
+ 230.	*Other operating income/expenses*	*33.750*	*33.605*
- 230. (partial)	*Other non-recurring operating income/expenses*	*-*	*(8.536)*
Operating costs		**(406.916)**	**(394.648)**
+ 240.	*Operating costs*	*(416.388)*	*(412.871)*
- 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*610*	*11.455*
- 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*8.136*	*11.193*
- 200.	*Net allocations to provisions for risks and charges*	*726*	*4.111*
- 230. (partial)	*Other non-recurring operating income/expenses*	*-*	*(8.536)*
Charges related to the banking system		**(8.136)**	**(11.193)**
+ 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*(8.136)*	*(11.193)*
Net allocations to provisions for risks and charges		**(478)**	**(6.878)**
+ 200.a	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	*(248)*	*3.810*
- 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*248*	*(2.767)*
+ 200.b	*Net allocations to provisions for risks and charges: b) other net allocations*	*(478)*	*(7.921)*
Non-recurring expenses and income		**(610)**	**(2.919)**
+ 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*(610)*	*(11.455)*
+ 230. (partial)	*Other non-recurring operating income/expenses*	*-*	*8.536*
Gains (Losses) on disposal of investments		**-**	**986**
+ 280.	*Gains (Losses) on disposal of investments*	*-*	*986*
Pre-tax profit (loss) for the period from continuing operations		**245.342**	**237.557**
+ 290.	*Pre-tax profit (loss) for the period from continuing operations*	*245.342*	*237.557*
Income taxes for the year relating to current operations		**(82.168)**	**(75.641)**
+ 300.	*Income taxes for the year relating to current operations*	*(82.168)*	*(75.641)*
Profit (loss) for the year		**163.174**	**161.916**
+ 330.	*Profit (loss) for the year*	*163.174*	*161.916*
	+ 310. Profit (loss) from continuing operations, net of taxes	*163.174*	*161.916*
(Profit) loss for the year attributable to non-controlling interests		**(1.596)**	**(1.806)**
+ 340.	*Profit (loss) for the year attributable to non-controlling interests*	*(1.596)*	*(1.806)*
Profit (loss) for the year attributable to the Parent company		**161.578**	**160.110**
+ 350.	*Profit (loss) for the year attributable to the Parent company*	*161.578*	*160.110*

Glossary

Below are definitions of some of the terms used in financial statement disclosures, excluding terms that have now become part of standard Italian language or have been included in a context that already clarifies their meaning.

ABS - Asset Backed Securities

Financial instruments whose performance and redemption are secured by a portfolio of assets (collateral) of the issuer (usually a Special Purpose Vehicle - SPV), earmarked exclusively for the satisfaction of the rights embedded in the financial instruments. Examples of assets pledged as collateral are mortgages, receivables from credit card companies, short-term trade receivables and loans to purchase cars.

ALM - Asset & Liability Management

Integrated management of assets and liabilities for risk/return optimisation in resource allocation.

Other related parties - close family members

The term "close family members" of a subject should be understood to mean those family members who are expected to influence, or be influenced by, the subject in their relations with the entity. They include the cohabitee (including the not legally separated spouse) and the subject's children, the cohabitee's children and the subject's or the cohabitee's dependants.

Arranger

In the Structured Finance segment, this is the figure who - albeit in various forms and with different assignment configurations (mandated lead arranger, joint lead arranger, sole arranger, etc.) - acts as the coordinator of the organisational aspects of the transaction.

AT1 - Additional Tier 1

Additional Tier 1 capital. The AT1 category generally includes capital instruments other than common stock (which are eligible for inclusion in Common Equity) and which meet the regulatory requirements for inclusion in that level of equity.

Intangible or intangible asset

An intangible asset is an identifiable non-monetary asset without physical substance.

Discounting

Process of determining the current value of a payment or stream of payments to be received in the future.

Audit

In listed companies, this is the entirety of the control of the company's activities and accounts, which is carried out either by internal structures (internal audit) or by independent auditing companies (external audit).

β (beta)

Beta coefficient of an issuer or a group of comparable issuers, an expression of the interrelation between the actual return on an equity and the total return of the reference market.

Backtesting

Retrospective analyses aimed at verifying the reliability of risk source measurements associated with asset portfolio positions.

Banking book

This usually refers to positions in securities, and more generally in financial instruments, held with “proprietary” intent.

Best practice

This generally identifies behaviour commensurate with the best level of knowledge attained in a certain technical/professional field.

Bid-ask spread

This is the detectable difference between bid and ask prices on a given financial instrument or group of financial instruments.

Budget

Estimate or plan of future revenues and expenses of a business.

Business combination

Under IFRS 3, a transaction or other event in which an acquirer obtains control of one or more businesses.

Business model

This is the business model with which financial instruments are managed. With regard to the business model, IFRS 9 identifies three cases in relation to how cash flows and sales of financial assets are managed: Held to Collect (HTC), Held to Collect and Sell (HTC&S), Others/Trading.

CAGR - Compound Annual Growth Rate

Compound annual growth rate of an investment over a given period of time. If n is the number of years, the CAGR is calculated as follows: (Current value/Initial value)^(1/n) -1.

Capital Asset Pricing Model (CAPM)

Model for determining the "opportunity cost", i.e. the amount of operating income needed to remunerate the cost of capital.

Capital structure

It consists of all the various classes of bonds (tranches) issued by a vehicle (SPV), secured by the acquired portfolio, which have different risks and yields to meet the needs of different categories of investors. The subordination relationships between the various tranches are governed by a set of rules specifying the distribution of losses generated by the collateral:

- Equity Tranche: represents the riskiest portion of the portfolio, also known as the "first loss" and is subordinate to all other tranches; it therefore bears first the losses that may occur during the recovery of the underlying assets.
- Mezzanine Tranche: represents the tranche with a degree of subordination intermediate between that of the equity tranche and that of the senior tranche. The mezzanine tranche is usually divided into 2-4 tranches with different degrees of risk, subordinated to each other. They are typically characterised by a rating in the BBB-AAA range.
- Senior/Supersenior Tranche: represents the tranche with the highest degree of credit enhancement, i.e. the highest degree of privilege in terms of remuneration and repayment priority. It is also commonly referred to as a super senior tranche and, if rated, has a higher rating of AAA being senior than the AAA mezzanine tranche.

Securitisation

Transaction involving the transfer of risk relating to financial or real assets to a special purpose vehicle, carried out either by selling the underlying assets, i.e. by using derivative contracts. In Italy, the matter is mainly regulated by Law No. 130 of 30 April 1999, as amended.

Cash Generating Unit (CGU)

It represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets.

Transfer without recourse

Transfer of a claim without the assignor offering any guarantee in the event of non-performance by the debtor. The assignor therefore guarantees to the assignee only the existence of the assigned claim and not also the solvency of the debtor.

Transfer with recourse

Transfer of a claim in which the assignor is guarantor of payment for the third party obligor. The assignor therefore guarantees to the assignee both the existence of the assigned claim and the solvency of the debtor.

CCF - Credit Conversion Factor

In determining credit risk, the CCF is the factor that allows the EAD (Exposure At Default) of an off-balance sheet exposure to be transformed into a cash exposure. Where the Bank does not use internal models to estimate these factors (internal CCFs), they are reported as follows by the supervisory rules (regulatory CCFs):

- 100% in the case of a full risk element;
- 50% in the case of a medium-risk element;
- 20% in the case of medium-low risk elements;
- 0% in the case of a low-risk element.

Consob - the National Commission for Companies and the Stock Exchange

This is the controlling body of the Italian financial market. As part of its main duties:

- it verifies the transparency and correctness of operators' behaviour in order to safeguard the trust and competitiveness of the financial system, investor protection, and compliance with financial regulations;
- it supervises to prevent and, where necessary, sanction any misconduct; it exercises the powers conferred by law to ensure that the necessary information is made available to savers to enable them to make informed investment choices;
- it works to ensure the maximum efficiency of trading, guaranteeing the quality of prices as well as the efficiency and certainty of the manner in which contracts concluded on regulated markets are executed.

Core Business

Main activity towards which the company's strategic choices and policies are oriented.

Common Equity Tier 1 Ratio (CET1 Ratio)

This is the ratio of common equity tier 1 capital (CET1) to total risk-weighted assets.

Corporate

Customer segment corresponding to medium and large-sized companies (mid corporate, large corporate).

Reclassified cost/income ratio

Economic index represented by the ratio of "Operating costs" to "Net banking income" as shown in the reclassified Income Statement.

Amortised cost

This differs from cost in that it provides for the gradual amortisation of the difference between the book value and the nominal amount of an asset or liability based on the effective rate of return.

Transaction costs

Marginal costs directly attributable to the acquisition, issue or disposal of a financial asset or liability. This is a cost that would not have been incurred if the Bank had not acquired, issued or disposed of the financial instrument.

Covenant

The covenant is a clause, explicitly agreed upon in the contractual phase, which grants the lender the right to renegotiate or revoke the credit upon the occurrence of the events in the clause, linking the debtor's economic-financial performance to termination/modification events of the contractual conditions (maturity, rates, etc.).

Coverage ratio

It represents the percentage coverage of the value adjustment against the gross exposure of a financial asset.

Credit enhancement

Techniques and instruments used by issuers to improve the rating of their issues (provision of security deposits, granting of liquidity facilities, etc.).

Credit Risk Adjustment (CRA) - Credit Valuation Adjustment (CVA)

Technique aimed at highlighting the penalty due to the creditworthiness of the counterparty and used in determining the fair value of unlisted derivative financial instruments.

CRP - Country Risk Premium

Country risk premium; expresses the component of the cost of capital designed to specifically remunerate the implicit risk of a defined country (i.e. the risk associated with economic-financial, political and currency instability).

Date of reclassification

First day of the first reporting period following the change in business model that resulted in the reclassification of financial assets.

Default

The inability to pay principal and/or interest when due.

Held For Trading - (HFT)

Financial assets or liabilities that meet one of the following conditions:

- they are acquired or incurred primarily for the purpose of being sold or repurchased in the short term;
- at the time of initial recognition, they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent and effective strategy aimed at obtaining a profit in the short term;
- they are derivatives other than those put in place as a designated and effective hedging instrument under IFRS 9.

Duration

This is an indicator of the interest rate risk to which a bond or bond portfolio is subject. In its most frequent configuration, it is calculated as the weighted average of the maturities of interest and principal payments associated with a bond.

EAD - Exposure At Default

Relating to on- or off-balance sheet positions, it is defined as an estimate of the future value of an exposure at the time of a debtor's default. Only banks that meet the requirements for adopting the AIRB approach are entitled to estimate EAD. For all others, reference must be made to regulatory estimates.

EBA - European Banking Authority

Independent authority of the European Union created in 2011 as part of the European System of Financial Supervisors (ESFS, a group of authorities and supervisory bodies that has constituted the new European micro- and macro-prudential supervisory framework since 2008). The objective of the EBA is to ensure an effective and uniform level of regulation and prudential supervision in the European banking sector, securing financial stability in the EU and ensuring the integrity, efficiency and orderly functioning of the banking sector.

ECAI - External Credit Assessment Institution

External credit rating assessment agency.

ECL - Expected Credit Loss

The adoption of accounting standard IFRS 9 resulted in a revision of the way in which credit risk losses are determined, moving from a concept of incurred loss (Incurred Credit Loss) to one of expected loss (Expected Credit Loss, ECL). The quantification of write-downs is done through the inclusion of forward-looking scenarios and differs according to the deterioration of credit quality, with a time horizon of 1 year for positions classified in Stage 1 and over the entire life (lifetime ECL) of the instrument for those included in Stages 2 and 3.

EPS (Earnings per share)

This is the ratio of net profit to the average number of shares for the period, adjusted if necessary to account for other potential equity instruments such as options and convertible bonds.

ERP (Equity Risk Premium)

Risk premium demanded by investors in the reference market, i.e. the expected excess return over risk-free assets.

Factoring

Contract for the assignment of trade receivables activated by specialised companies, for management and collection purposes, to which, as a rule, a loan may be associated in favour of the assignor.

Fair value

This is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Fair Value Option (FVO)

The Fair Value Option is an option for the classification of a financial instrument. Through the exercise of the option, even a non-derivative financial instrument not held for trading purposes can be measured at fair value through profit or loss.

Prudential filters

In the context of the calculation of own funds, corrections made to the balance sheet items in order to safeguard the quality of own funds and to reduce their potential volatility induced by the application of the international accounting standards "IAS/IFRS".

Funding

Procurement, in various forms, of the funds needed to finance the company's business or particular financial transactions.

FVTOCI (FVOCI) - Fair Value Through Other Comprehensive Income

How changes in the fair value of financial assets are recognised in the statement of comprehensive income (i.e. in equity) and not in the income statement.

FVTPL - Fair Value Through Profit and Loss

Method of recognising changes in the fair value of financial instruments with a balancing entry in the income statement.

GBV (Gross Book Value)

Carrying amount of a loan considered before value adjustments.

Goodwill

Identifies goodwill paid for the acquisition of an ownership interest.

Governance

Identifies the set of instruments and rules that regulate corporate life with particular reference to the transparency of corporate documents and acts and the completeness of information to the market.

Hedge accounting

Rules on hedge accounting for derivative transactions under IFRS 9.

IAS/IFRS

International Accounting Standards (IAS) are issued by the International Accounting Standards Board (IASB), the body responsible for issuing international accounting standards. Standards issued after July 2002 are referred to as IFRS (International Financial Reporting Standards).

ICAAP - Internal Capital Adequacy Assessment Process

Under Basel II Pillar 2, banks are required to have a process (Internal Capital Adequacy Assessment Process, ICAAP) to estimate their own internal capital requirements to cover all risks, including those not captured by the total capital requirement (Pillar 1), as part of the assessment of the bank's current and future exposure, taking account of the bank's strategies and possible developments in the environment in which it operates.

IFRS-IC (International Financial Reporting Standards Interpretations Committee)

The IASB Committee that issues the official interpretations of the IAS/IFRS.

Impairment

With respect to a financial asset, impairment is identified when the carrying amount of that asset is greater than its estimated recoverable amount. According to IAS 36, the following must be tested annually for impairment:

- intangible assets with an indefinite useful life;
- goodwill acquired in a business combination pursuant to IFRS 3;
- any asset if there is an indication that it may be impaired.

Impairment testing consists of estimating the recoverable amount (which is the higher of its fair value less costs to sell and its value in use) of an asset or a group of assets.

Deferred Tax Assets, Deferred Tax Liabilities (DTA, DTL)

Deferred tax liabilities (DTL) are the amounts of income taxes due in future years related to taxable temporary differences. Deferred tax assets (DTA) are the amounts of income taxes recoverable in future years related to:

- deductible timing differences;
- carry-forward of unused tax losses; and
- carry-forward of unused tax credits.

Temporary differences are the differences between the carrying amount of an asset or liability in the balance sheet and its recognised value for tax purposes. Temporary differences may be:

- taxable temporary differences, i.e. temporary differences that, in determining taxable income (tax loss) for future years, will result in taxable amounts when the carrying amount of the asset or liability is realized or settled;
- deductible temporary differences, i.e. temporary differences which, in determining taxable income (tax loss) for future years, will result in deductible amounts when the carrying amount of the asset or liability is realised or settled.

Junior

In a securitisation transaction, it is the most subordinated tranche of the securities issued that bears first the losses that may occur in the course of recovering the underlying assets.

k_e (Cost of Equity)

The cost of equity is the minimum return required for investments of equal risk.

k_e - g

The difference between the discount rate of flows and the long-term growth rate; with equal flows, if this difference decreases, the Value in Use (VIU) increases.

LCR - Liquidity Coverage Ratio

Prudential requirement designed to ensure that a bank maintains an adequate level of unencumbered high-quality liquid assets that can be converted into cash to meet its liquidity needs within 30 calendar days under highly stressed conditions. The liquidity coverage ratio is equal to the ratio of liquidity reserves to net liquidity outflows over a 30-calendar-day stress period.

LGD - Loss Given Default

This represents the percentage of credit that is estimated to be uncollectable in the event of a debtor default.

M - Maturity

Residual life of an exposure, calculated according to prudential rules. For banks authorised to use internal ratings, it is considered explicitly if the advanced approach is used, while it is set at 2,5 years if the basic approach is used.

Mark to Market

The process of valuing a portfolio of securities or other financial instruments on the basis of market prices.

Mezzanine

In a securitisation transaction, this is the tranche with a degree of subordination intermediate between that of the junior tranche and that of the senior tranche.

NAV - Net Asset Value

This is the value of the unit into which the fund's assets are divided.

NBV - Net Book Value

Carrying amount of a loan considered net of value adjustments.

Non performing exposure (Npe) – Non performing loan (Npl)

Terms used to refer to non-performing loans, i.e. loans with a non-regular trend. By contrast, the term performing refers to credit exposures with a regular performance. Non-performing loans are classified into three categories:

- non-performing loans: loans the full collection of which is not certain because the debtors are in a state of insolvency (even if not judicially ascertained) or in substantially similar situations;
- unlikely to pay (UTP): exposures other than non-performing loans for which the Bank considers it unlikely, without recourse to actions such as enforcement of collateral, that the borrower will meet its credit

obligations in full (principal and/or interest), irrespective of the presence of any past due and unpaid instalments or amounts;
- past due: exposures past due and/or in arrears by more than 90 days and exceeding a predefined materiality threshold.

The EBA also introduced a further category, which cuts across the previous ones, namely that of exposures that have been subject to forbearance measures. These exposures can be either non-performing loans (forborne non-performing) or performing loans (forborne performing). Forbearance measures consist of concessions to a debtor that is experiencing or about to experience difficulties in meeting its financial commitments ("financial difficulties") and include, for example, renegotiation of the terms of the contract or full/partial refinancing of the debt.

NSFR - Net Stable Funding Ratio

Prudential requirement aimed at promoting greater recourse to stable funding, preventing medium- and long-term operations from giving rise to excessive imbalances to be financed in the short term. The requirement is equal to the ratio between the stable financing available to the institution and the stable financing requested from the institution and is expressed as a percentage.

UCITS - Collective Investment Undertakings

Under the Consolidated Law on Finance, these include:

- mutual funds, i.e. vehicles whose function is to pool the financial resources of a plurality of savers into a single undifferentiated asset that is invested in financial assets; and
- SICAVs (Sociétés d'Investissement à Capital Variable), i.e. companies whose sole object is to invest their assets, raised through the placement of their shares with the public.

Option

Represents the right, but not the commitment, acquired on payment of a premium, to buy (call option) or sell (put option) a financial instrument at a specified price (strike price) by (American option) or at (European option) a specified future date.

OTC - Over The Counter

Definition relating to transactions concluded directly between the parties, without using an organised market.

Outsourcing

Use of operational support activities carried out by external companies.

PD - Probability of Default

This represents the probability that, over a time horizon of one year or equal to the expected life of the financial instrument, the debtor will default.

Plain vanilla (derivatives)

Products whose price depends on that of the underlying instrument, which is listed on regulated markets.

POCI - Purchased or Originated Credit Impaired Assets

Impaired assets acquired or originated for which expected losses over the life of the loan are to be recognised and are automatically classified in Stage 3 on initial recognition.

PPA - Purchase Price Allocation

This indicates the process of allocating the purchase price of the assets and liabilities of an acquired entity, to be performed by the acquiring company, within the scope of application of IFRS 3 - Business Combinations.

Pricing

In a broad sense, this refers generally to the way in which the prices of financial instruments and/or the costs of products and services offered by the Bank are determined.

Private equity

Activity aimed at the acquisition of equity interests and their subsequent sale to specific counterparties, without public placement.

Asset-Backed Commercial Paper Programme or ABCP Programme

Securitisation programme whose securities take predominantly the form of asset-backed commercial paper with an original maturity of one year or less, as defined in Regulation (EU) 2017/2402.

Project finance

Technique by which industrial projects are financed on the basis of a forecast of the cash flows generated by them. The examination is based on a series of assessments that differ from those generally implemented for the analysis of ordinary credit risks. These assessments include, in addition to the cash flow analysis, the technical examination of the project, the suitability of the sponsors undertaking to implement it, and the product's distribution markets.

Rating

Assessment of the quality of a company or its issues of debt securities based on the financial strength of the company and its outlook. Such rating can be external when this assessment is made by external specialist agencies, and internal when made by the Bank using internal models.

Real estate

Structured Finance transactions in the real estate sector.

Retail

Category of customers that includes individuals, small and medium-sized enterprises.

Right Of Use (ROU)

In accordance with IFRS 16, this term identifies the "asset representing the lessee's right to use the leased asset for the lease term".

Risk free (r_f)

Return on risk-free investments.

Risk Management

Identification, measurement, assessment and management of the various types of risk and protection against risks.

ROE - Return On Equity

This expresses the return on equity in terms of net profit. It is the indicator of most interest to shareholders as it allows them to assess the profitability of risk capital.

RWA - Risk Weighted Assets

On-balance sheet and off-balance sheet assets (derivatives and guarantees) classified and weighted for their associated risks. Risk weightings are established in accordance with the rules of prudence issued by supervisory authorities in relation to calculation of capital ratios.

Senior/super senior

In a securitisation transaction, it is the tranche with the highest degree of privilege in terms of priority of remuneration and repayment.

Sensitivity

The degree with which certain assets or liabilities react to movements in rates or other parameters.

Servicer

In securitisation transactions, it is the entity that - on the basis of a special servicing agreement - continues to manage the securitised receivables or assets after they have been sold to the special purpose vehicle in charge of issuing the securities.

AMC - Asset Management Company

Public limited liability company that is allowed to provide collective and individual asset management services jointly. In particular, it is authorised to set up mutual funds, to manage mutual funds of their own or others' instruction, as well as Sicav assets, and to provide the service of individual portfolio management.

SICR - Significant Increase in Credit Risk

Criterion used to check stage transition: if the credit risk of the financial instrument has increased significantly since initial recognition, the value adjustments are equal to the expected losses over the life of the instrument (lifetime ECL).

SPE/SPV

A Special Purpose Entity or Special Purpose Vehicle is a company specifically set up by one or more entities to carry out a specific transaction. SPEs/SPVs generally do not have their own operational and management structures but make use of those of the various players involved in the operation.

SPPI (Solely Payment of Principal and Interest) Test

This is one of the two (the other is the "business model") criteria, or classification drivers, on which the classification of financial assets and the measurement criterion depends. The objective of the SPPI Test is to identify instruments, which can be defined as "basic lending arrangements" within the meaning of the standard, whose contractual terms provide for cash flows at certain dates consisting solely of payments of principal and interest on the amount of principal to be repaid. Activities with contractual characteristics other than SPPI must be measured at FVTPL.

Spread

This term usually denotes the difference between two interest rates, the spread between bid and ask prices in securities trading, or the mark-up that the issuer of securities pays in addition to a reference rate.

SREP - Supervisory Review and Evaluation Process

Regular risk assessment and measurement exercise at individual bank level. In SREP decisions, the supervisory authority may require each individual bank to hold additional capital and/or set qualitative requirements ("Pillar 2"). It is carried out by the Single Supervisory Mechanism, based on the regulations contained in the Capital Requirement Directive (CRD).

Stage 1

This represents financial instruments whose credit risk has not increased significantly since the date of initial recognition. An expected loss of one year is recognised for these financial instruments.

Stage 2

This represents financial instruments whose credit risk has increased significantly since the date of initial recognition. A lifetime expected loss is recognised for these financial instruments.

Stage 3

This represents impaired/defaulted financial instruments. For these financial instruments, the expected lifetime loss is accounted for.

Stakeholders

Subjects who, for various reasons, interact with the company's activity, participating in its results, influencing its performance, evaluating its economic, social and environmental impact.

Stock options

Term used to refer to options offered to managers of a company, which allow them to purchase shares of the company on the basis of a predetermined strike price.

Stress test

A simulation used to measure the impact of extreme market scenarios on the Bank’s overall risk exposure.

Financial instruments listed in an active market

A financial instrument is regarded as listed in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

Swaps

Transactions by means of derivative contracts consisting, as a rule, in the exchange of financial flows between operators according to different contractual modalities. In the case of an interest rate swap, the counterparties exchange payment flows, whether or not indexed to interest rates, calculated on a notional reference principal (e.g. one counterparty pays a flow on the basis of a fixed rate, the other on the basis of a variable rate). In the case of a currency swap, the counterparties exchange specific amounts of two different currencies, repaying them over time in a pre-defined manner that may involve either notional principal or indexed interest rate flows.

Effective interest rate

The effective interest rate, as defined by IFRS 9, is the rate at which the present value of expected cash flows for the principal and interest is equal to the amount of the loan granted, including any directly attributable costs/revenues. This finance-based accounting method allows to spread the economic effect of costs/revenues over the expected residual life of the receivable.

Tax rate

Effective tax rate, determined by the ratio of income tax to pre-tax profit.

Terminal Value (TV)

Value of a company at the end of the analytical cash flow forecast period; it is calculated by multiplying the analytical cash flow of the last period by (1+g) and dividing this amount by (Ke-g).

Tier 1

Tier 1 capital comprises Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital.

Tier 1 Ratio

It is the ratio of Tier 1 capital to total risk-weighted assets (RWA).

Tier 2

Tier 2 capital consists primarily of eligible subordinated liabilities and any excess of value adjustments over expected losses (excess reserve) for AIRB-weighted positions. Specific transitional provisions (grandfathering) are also foreseen for subordinated instruments that do not meet the requirements of the new Basel III regulations, aimed at the gradual exclusion from own funds (over a period of 8 years) of instruments that are no longer eligible.

Time value

Change in the financial value of an instrument in relation to the different time horizon at which certain cash flows will be available or receivable.

Total Capital Ratio (TCR)

Capitalisation ratio referring to the total of the elements making up own funds (Tier 1 and Tier 2). It is the ratio of own funds to total risk-weighted assets (RWA).

Trading book

This usually refers to positions in securities, and more generally in financial instruments, held with trading intent.

Value in Use

This is the present value of future cash flows expected to arise from an asset or cash-generating unit.

Collective measurement of performing loans

With reference to a homogeneous group of financial assets with a regular performance, the collective assessment defines the extent of the credit risk potentially inherent in them, even though it is not yet possible to attribute it to a specific position.

VaR - Value at Risk

This is a value that indicates the maximum possible loss on a portfolio due to market performance, with a certain probability and assuming that the positions will take a certain period of time to be disposed of.

Vintage

Term used to indicate the seniority of Npe/Npl. This is also to be understood as the origination date of the collateral underlying the securitisation as an important factor in judging the riskiness of that collateral.

Expected life

This refers to the maximum contractual life and takes into account expected prepayments, extensions, call options and similar. The exceptions are certain revolving financial instruments such as credit cards, overdrafts, which include both drawn and undrawn components for which the Bank's contractual ability to request repayment and cancel undrawn lines does not limit the exposure to credit losses to the contractual period. The expected life of these credit lines is their actual life. When the data is insufficient or the analysis not conclusive, a maturity factor may be considered to reflect the estimated life based on other tested cases or similar cases of competitors. Future contractual changes are not taken into account when determining the expected life or Exposure At Default (EAD) until they occur.

Warrant

Tradable instrument giving the holder the right to buy from or sell to the issuer fixed income securities or shares in accordance with specified terms.

2024 Report and Financial Statements

Banca Ifis

Directors' Report

Banca Ifis

General aspects

The “2024 Report and financial Statements” of Banca Ifis S.p.A. comprises: the Schedules, the related Notes and this Directors’ Report on the Bank.

To allow a more immediate reading of the results, a condensed reclassified income statement is prepared within the Directors' report on Banca Ifis. Analytical details of the restatements and reclassifications made with respect to the financial statements compliant with Bank of Italy Circular 262 are provided in separate tables published among the annexes (see the section “Attachments to the Separate Financial Statements"), also in compliance with the requirements of Consob Communication No. 6064293 of 28 July 2006.

Reclassifications and aggregations of the income statement concern the following:

- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- the cost and revenue items considered as “non-recurring” (for example because related directly or indirectly to business combinations) are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced for Banca Ifis under the Single and National Resolution Mechanisms (SRF and NRF) and the Deposit Protection Mechanism (DGS or FITD) are shown under a separate item called “Charges related to the banking system” (which is excluded from the calculation of “Operating costs”), instead of being shown under “Other administrative expenses” or “Net allocations to provisions for risks and charges”;
- the following is included under the single item "Net credit risk losses/reversals":
    - net credit risk losses/reversals relating to financial assets measured at amortised cost and to financial assets measured at fair value through other comprehensive income;
    - net allocations to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
    - gains (losses) on sale/buyback of loans at amortised cost.

The balance sheet components were aggregated without reclassification.

Highlights

Below is the Bank's main equity and economic data.

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	334.190	599.016	(264.826)	(44,2)%
Financial assets measured at fair value through profit or loss	233.920	216.049	17.871	8,3%
Financial assets measured at fair value through other comprehensive income	701.825	749.171	(47.346)	(6,3)%
Receivables due from banks measured at amortised cost	760.945	634.802	126.143	19,9%
Receivables due from customers measured at amortised cost	9.320.250	9.201.981	118.269	1,3%
Total assets	**12.767.350**	**12.863.172**	**(95.822)**	**(0,7)%**
Payables due to banks	1.327.384	2.604.466	(1.277.082)	(49,0)%
Payables due to customers	8.199.423	7.077.199	1.122.224	15,9%
Debt securities issued	1.507.351	1.435.852	71.499	5,0%
Equity	**1.394.367**	**1.364.637**	**29.730**	**2,2%**

RECLASSIFIED INCOME STATEMENT HIGHLIGHTS (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**429.285**	**455.104**	**(25.819)**	**(5,7)%**
Net credit risk losses	(33.983)	(51.949)	17.966	(34,6)%
Net profit (loss) from financial activities	**395.302**	**403.155**	**(7.853)**	**(1,9)%**
Operating costs	**(210.513)**	**(209.135)**	**(1.378)**	**0,7%**
Charges related to the banking system	(7.945)	(9.791)	1.846	(18,9)%
Net allocations to provisions for risks and charges	(2.748)	(7.226)	4.478	(62,0)%
Non-recurring expenses and income	(77)	(1.047)	970	(92,6)%
Profit (loss) on equity investments	(3.017)	(3.740)	723	(19,3)%
Pre-tax profit (loss) for the period from continuing operations	**171.002**	**172.216**	**(1.214)**	**(0,7)%**
Income taxes for the year relating to current operations	(31.699)	(28.812)	(2.887)	10,0%
Profit (loss) for the year	**139.303**	**143.404**	**(4.101)**	**(2,9)%**

Refer to the section “Reclassified financial and income results” for comments on the dynamics in the balance sheet and income statement.

KPIs

ASSET KPIs	YEAR		CHANGE
	2024	2023	
CET1 Ratio(1)	15,91%	14,68%	0,89%
Total Capital ratio(1)	15,91%	17,71%	(3,68)%
Number of company shares (in thousands)	53.811	53.811	0,0%
Number of shares outstanding at year end (2) (in thousands)	52.572	52.468	0,3%
Price Book Value per share	26,52	26,01	1,9%
Dividend per share(3)	2,12	2,10	1,0%

(1) Total Capital and CET1 include the profits generated by Banca Ifis at 31 December 2024, 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.
(2) Outstanding shares are net of treasury shares held in the portfolio.
(3) The figures for FY 2024 comprise the total of 1,20 Euro per share distributed as an interim dividend in November 2024 and 0,92 Euro per share as a proposal for a final dividend for the FY 2024 prepared by the Board of Directors of Banca Ifis

ECONOMIC KPIs	YEAR		CHANGE
	2024	2023	
ROE	10,0%	10,7%	(0,7)%
ROA	1,1%	1,1%	0,0%
Reclassified cost/income ratio	49,0%	46,0%	3,1%
Earnings per share (EPS)	2,65	2,73	(3,0)%
Payout ratio	80,0%	76,9%	3,1%

Context

For an illustration of the macroeconomic context, please refer to the 'Context' section in the Directors’ Report on the Group of the Consolidated Financial Statements.

Reclassified financial and income results

Reclassified Statement of financial positions items

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Cash and cash equivalents	334.190	599.016	(264.826)	(44,2)%
Financial assets mandatorily measured at fair value through profit or loss	230.431	215.466	14.965	6,9%
Financial assets measured at fair value through other comprehensive income	701.825	749.171	(47.346)	(6,3)%
Receivables due from banks measured at amortised cost	760.945	634.802	126.143	19,9%
Receivables due from customers measured at amortised cost	9.320.250	9.201.981	118.269	1,3%
Equity investments	699.511	672.528	26.983	4,0%
Property, plant and equipment and intangible assets	203.114	173.804	29.310	16,9%
Tax assets	173.774	238.925	(65.151)	(27,3)%
Other assets	343.310	377.479	(34.169)	(9,1)%
Total assets	**12.767.350**	**12.863.172**	**(95.822)**	**(0,7)%**
Payables due to banks measured at amortised cost	1.327.384	2.604.466	(1.277.082)	(49,0)%
Payables due to customers measured at amortised cost	8.199.423	7.077.199	1.122.224	15,9%
Debt securities issued	1.507.351	1.435.852	71.499	5,0%
Tax liabilities	36.198	38.268	(2.070)	(5,4)%
Provisions for risks and charges	48.985	51.804	(2.819)	(5,4)%
Other liabilities	253.642	290.946	(37.304)	(12,8)%
Equity	1.394.367	1.364.637	29.730	2,2%
Total liabilities and equity	**12.767.350**	**12.863.172**	**(95.822)**	**(0,7)%**

Cash and cash equivalents

At 31 December 2024, the item of 334,2 million Euro records a reduction of 264,8 million Euro compared with December 2023. This change is mainly attributable to the negative change recorded in overnight deposits with the Bank of Italy.

Financial assets mandatorily measured at fair value through profit or loss

The item totals 230,4 million Euro at 31 December 2024 and consists of loans and debt securities that have not passed the SPPI Test, equity securities traceable to 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	
	31.12.2024	31.12.2023	ABSOLUTE	%
Debt securities	68.082	85.860	(17.778)	(20,7)%
Equity securities	68.725	51.051	17.674	34,6%
UCITS units	92.417	71.453	20.964	29,3%
Loans	1.207	7.102	(5.895)	(83,0)%
Total	**230.431**	**215.466**	**14.965**	**6,9%**

This item increased by 6,9% compared to 31 December 2023 mainly due to the effect:

- of a reduction of 17,8 million Euro in debt securities due to lower reinvestments compared to natural maturities, partially offset by positive fair value changes of approximately +1 million Euro;
- of growth in equity securities of 17,7 million Euro, 10,5 million Euro of which was generated by positive changes in fair value measurements and 7,2 million Euro by net subscriptions of new securities;
- of the increase in the balance of UCITS units in 2024 (+29,3%), linked to the growth recorded in fair value measurements (+6,4 million Euro) and growing net subscriptions of approximately 14,5 million Euro;
- of the reduction in the carrying amount of loans, with respect to 31 December 2023 (-83%), is driven by the closure of certain transactions during the year.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income total 701,8 million Euro at 31 December 2024, down 6,3% from December 2023, and include the debt securities characterised by the "Held to Collect & Sell" (HTC&S) business model that passed the SPPI test as well as equity securities for which the Bank elected the so-called OCI option pursuant to IFRS 9.

FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Debt securities	544.936	634.306	(89.370)	(14,1)%
of which: government securities	*455.312*	*460.187*	*(4.875)*	*(1,1)%*
Equity securities	156.889	114.865	42.024	36,6%
Total	**701.825**	**749.171**	**(47.346)**	**(6,3)%**

Debt securities decreased by approximately 89,4 million Euro. This trend is driven by a net decrease of approximately 93,7 million Euro generated by terminations that were only partially offset by reinvestments and by the increase in fair value valuations recorded by them of +4,3 million Euro. The related net negative fair value reserve amounts to 16,6 million Euro (of which 15,9 million Euro associated with government securities).

Equity securities in the portfolio attributable to non-controlling interests increased by 36,6% compared to 31 December 2023, mainly due to new investments (approximately 70,5 million Euro), only partially offset by disposals of -25,9 million Euro and negative fair value changes of -2,5 million Euro. The related net negative fair value reserve amounts to 7,7 million Euro (-14,4 million Euro at 31 December 2023).

Receivables due from banks measured at amortised cost

Total receivables due from banks measured at amortised cost amount to 760,9 million Euro at 31 December 2024, up 19,9% on the balance booked at 31 December 2023 of 634,8 million Euro.

In addition to loans to central banks, which constitute the funding maintained in order to ensure the orderly conduct of business, the item includes bank debt securities with which a "Held to Collect (HTC)" business model is associated and which have passed the SPPI Test. At 31 December 2024, these securities have a carrying amount of 556,1 million Euro, down 3,6% from the value of 576,8 million Euro at the end of 2023, in particular the new investments made during the year on foreign bank bonds did not completely make up for the positioned extinguished in 2024.

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 9.320,2 million Euro, essentially in line with the previous year's figure of 9.202,0 million Euro (+1,3%).

RECEIVABLES DUE FROM CUSTOMERS (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 31.12.2024						
Nominal amount	121.705	230.585	55.150	**407.440**	9.173.816	**9.581.256**
Losses	(88.062)	(103.719)	(5.762)	**(197.543)**	(63.463)	**(261.006)**
Carrying amount	33.643	126.866	49.388	**209.897**	9.110.353	**9.320.250**
Coverage ratio	*72,4%*	*45,0%*	*10,4%*	***48,5%***	*0,7%*	***2,7%***
Gross ratio	*1,3%*	*2,4%*	*0,6%*	***4,3%***	*95,7%*	***100,0%***
Net ratio	*0,4%*	*1,4%*	*0,5%*	***2,3%***	*97,7%*	***100,0%***
POSITION AT 31.12.2023						
Nominal amount	107.211	186.104	106.737	**400.052**	9.078.531	**9.478.583**
Losses	(84.129)	(81.230)	(7.307)	**(172.666)**	(103.936)	**(276.602)**
Carrying amount	23.082	104.874	99.430	**227.386**	8.974.595	**9.201.981**
Coverage ratio	*78,5%*	*43,6%*	*6,8%*	***43,2%***	*1,1%*	***2,9%***
Gross ratio	*1,1%*	*2,0%*	*1,1%*	***4,2%***	*95,8%*	***100,0%***
Net ratio	*0,3%*	*1,1%*	*1,1%*	***2,5%***	*97,5%*	***100,0%***

Total net receivables remained almost stable compared to the December 2023 figure, due to the net disinvestments recorded in debt securities amounting to approximately 225,2 million Euro. Net of the securities component, the item grew by 5,1% compared to the December 2023 figure, due to an increase in all business units: leasing, factoring, as well as corporate banking & lending.

At 31 December 2024, other debt securities include 1.579,0 million Euro in Italian and foreign government securities acquired by Banca Ifis with a view to optimising liquidity (1.628,7 million Euro at 31 December 2023). Level 3 securities mainly include investments in securitisations.

The performance of net non-performing loans, down 7,7% compared with the previous year, is driven by non-performing past-due exposures, which increase from 99,4 million Euro in December 2022 to 49,4 million Euro at the end of 2024, the reduction of which is mainly linked to the transfer to performing status of an individually significant exposure towards the National Health System.

The coverage ratio of performing exposures was influenced, among others, by the full use of prudential adjustments resulting from "expert-based" assessments following the actual classification among impaired exposures of specifically identified positions. In addition, management overlays set aside during previous years to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macroeconomic expectations, were utilised against the deteriorating dynamics of the underlying portfolio clusters.

Equity investments

DESCRIPTION	31.12.2024	31.12.2023
Ifis Finance Sp. z o.o.	26.356	26.356
Ifis Rental Services S.r.l.	120.895	120.895
Ifis Npl Investing S.p.A.	432.700	432.700
Cap.Ital.Fin. S.p.A.	44.983	18.000
Banca Credifarma S.p.A.	54.597	54.597
Ifis Finance I.F.N. S.A.	19.975	19.975
Ifis NPL 2021-1 SPV S.r.l.	5	5
Total	**699.511**	**672.528**

Equity investments in Group companies come to 699,5 million Euro as compared with the 672,5 million Euro of 2023. The change in the carrying amount of the equity investment in Cap.Ital.Fin. S.p.A. is attributable, on the one hand, to the effect of the capital increase subscribed in 2024 in the amount of 30 million Euro, net of the value adjustment as a result of the loss of 3 million Euro recognised in the year.

Intangible assets and property, plant and equipment

Property, plant and equipment come to 163,0 million Euro, as compared with the 140,8 million Euro booked at 31 December 2023, up 15,8%, mainly in view of investments and improvements in Bank offices.

Intangible assets, essentially made up of software, come to 40,1 million Euro, up from 31 December 2023, equal to 33,0 million Euro mainly following investments made in software linked to the continuous digitisation of the bank in 2024.

Tax assets and liabilities

These items include current and deferred tax assets and liabilities.

Tax assets total 173,8 million Euro, down 27,3% from 31 December 2023, when they were 238,9 million Euro. The following table shows the breakdown of current tax assets by type.

CURRENT TAX ASSETS (in thousands of Euro)	AMOUNTS		CHANGE	
	2024	2023	ABSOLUTE	%
Credits from DTA conversion	6.751	15.637	(8.886)	(56,8)%
Irap (regional tax on productive activities)	6.423	5.437	986	18,1%
Ires - claimed for reimbursement	7.308	7.166	142	2,0%
Ires (corporate income tax)	304	304	-	0,0%
Other	705	726	(21)	(2,9)%
Total current tax assets	**21.491**	**29.270**	**(7.779)**	**(26,6)%**

Current tax assets amounted to 21,5 million Euro, a decrease compared to the figure at 31 December 2023 (-26,6%); the reduction was driven for about 8,9 million Euro by the combined effect of the utilisation of tax credits from DTA conversion on write-downs for 35,7 million Euro and new conversions that occurred during the year for approximately 26,8 million Euro.

Below are details of deferred tax assets:

DEFERRED TAX ASSETS (in thousands of Euro)	AMOUNTS		CHANGE	
	2024	2023	ABSOLUTE	%
Receivables due from customers (Italian Law No. 214/2011)	80.963	135.184	(54.221)	(40,1)%
Past tax losses that can be carried forward	30.803	30.803	-	0,0%
FVOCI reserve	10.497	11.928	(1.431)	(12,0)%
Provisions for risks and charges	12.538	11.606	932	8,0%
Goodwill	5.029	7.544	(2.515)	(33,3)%
Aid for economic growth that can be carried forward	9.186	9.186	-	0,0%
Other	3.267	3.404	(137)	(4,0)%
Total deferred tax assets	**152.283**	**209.655**	**(57.372)**	**(27,4)%**

Deferred tax assets amount to 152,3 million Euro compared to the figure of 209,7 million Euro at 31 December 2023 and consist mainly of 81 million Euro of assets recognised for impairment losses on receivables due from customers, potentially convertible into tax credits (135,2 million Euro at 31 December 2023), 30,8 million Euro assets recognised for prior tax losses and aid for economic growth ("ACE") benefit (30,8 million Euro at 31 December 2023) and 10,5 million Euro in misalignments on financial assets measured at fair value through other comprehensive income (FVOCI) (11,9 million Euro at 31 December 2023). The decrease is mainly attributable to the release of the year's portion of deferred tax assets that can be converted into tax credits under Law 214/2011.

With regard to the recoverability of deferred tax assets recognised at 31 December 2024, please refer to "Section 10 - Tax assets and liabilities - Item 100 of Assets and Item 60 of Liabilities" in Part B of the Notes to the Financial Statements.

Tax liabilities total 36,2 million Euro, down 5,4% from 31 December 2023, equal to 38,3 million Euro.

Current tax liabilities, amounting to 9,1 million Euro, represent the tax burden for the year of the IRAP component alone, and are up by 3,9% compared to the December 2023 figure.

Deferred tax liabilities are broken down as follows:

DEFERRED TAX LIABILITIES (in thousands of Euro)	AMOUNT		CHANGE	
	2024	2023	ABSOLUTE	%
Receivables for interest on arrears	23.574	25.275	(1.701)	(6,7)%
Receivables due from customers	1.501	2.676	(1.175)	(43,9)%
Financial assets	1.320	1.033	287	27,8%
Property, plant and equipment	290	295	(5)	(1,7)%
Other	375	190	185	97,4%
Total deferred tax liabilities	**27.060**	**29.469**	**(2.409)**	**(8,2)%**

Deferred tax liabilities, totalling 27,1 million Euro, are down 8,2% on the balance of the previous year and largely include 23,6 million Euro in receivables for interest on arrears that will be taxed upon receipt, 1,5 million Euro in other mismatches of trade receivables and 1,3 million Euro relative to financial assets measured at fair value through other comprehensive income (FVOCI).

Other assets and liabilities

Other assets, of 343,3 million Euro as compared to a balance of 377,5 million Euro at 31 December 2023, include:

- financial assets held for trading amounting to 3,5 million Euro, referring entirely to derivative transactions substantially hedged by positions recorded under financial liabilities. This item increases by 2,9 million Euro compared to the figure of 0,6 million Euro as at 31 December 2023;
- hedging derivatives in the amount of 7,4 million Euro related to the micro-fair value hedge on interest rate risk related to securities held by the Bank started in the second half of 2023;
- other assets for 332,4 million Euro (376,9 million Euro at 31 December 2023), of which 163,0 million Euro relate to tax credits for superbonuses and other construction tax bonuses with a nominal amount of 180,8 million Euro (down compared with the carrying amount recorded of 208,7 million Euro at 31 December 2023).

Other liabilities come to 253,6 million Euro as compared with 290,9 million Euro at 31 December 2023, and consist of:

- trading derivatives in the amount of 13,8 million Euro (14,0 million Euro at 31 December 2023), of which 8,6 million Euro refer to a transaction related to the securitisation of loans in the Npl Segment;
- hedging derivatives amounting to 14,9 million Euro (11,6 million Euro at the end of 2023), mainly related to the passive component of micro-fair value hedges required to manage the interest rate risk associated with securities held;
- Severance indemnity payable for 5,1 million Euro, essentially in line with the figure of 31 December 2023 (5,3 million Euro).
- other liabilities for 219,9 million Euro (260,0 million Euro at 31 December 2023), largely referred to amounts due to customers that have not yet been credited for 69 million Euro, as well as 20 million Euro payable to employees and operating payables for approximately 63,3 million Euro.

Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
a) Payables due to banks	**1.327.384**	**2.604.466**	**(1.277.082)**	**(49,0)%**
- Payables due to Central banks	419.286	1.577.874	(1.158.588)	(73,4)%
of which: TLTRO	*-*	*1.577.874*	*(1.577.874)*	*(100,0)%*
of which: MRO	*400.000*	*-*	*400.000*	*n.a.*
- Repurchase agreements	630.540	715.313	(84.773)	(11,9)%
- Other payables	277.558	311.279	(33.721)	(10,8)%
b) Payables due to customers	**8.199.423**	**7.077.199**	**1.122.224**	**15,9%**
- Repurchase agreements	1.045.734	346.317	699.417	202,0%
- Retail	4.789.355	4.474.892	314.463	7,0%
- Other term deposits	383.577	120.143	263.434	219,3%
- Lease payables	21.247	21.058	189	0,9%
- Other payables	1.959.510	2.114.789	(155.279)	(7,3)%
c) Debt securities issued	**1.507.351**	**1.435.852**	**71.499**	**5,0%**
Total funding	**11.034.158**	**11.117.517**	**(83.359)**	**(0,7)%**

Total funding as at 31 December 2024 amounts to 11,0 billion Euro, which is substantially in line with the previous year's figure (11,1 billion Euro); 74,3% of this item was accounted for by amounts due to customers, followed by debt securities issued at 13,7%, and payables due to banks 12,0%.

Payables due to banks amount to 1.327,4 million Euro, down 49,0% compared to the figure as at 31 December 2023, mainly due to the repayment of TLTRO III lines for a nominal 1,5 billion Euro and the reduction in repurchase agreements with banks for 84,8 million Euro, only partially offset by a 400 million Euro financing transaction with the ECB (MRO) maturing on 8 January 2025.

Payables due to customers at 31 December 2024 total 8.199,4 million Euro, up 15,9% compared to 31 December 2023.

Below are details of the Bank's retail funding:

RETAIL FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Short-term funding (within 18 months)	3.675.748	3.256.259	419.489	12,9%
of which: Unrestricted	*466.046*	*458.116*	*7.930*	*1,7%*
of which: Like/One	*251.276*	*355.016*	*(103.740)*	*(29,2)%*
of which: restricted	*2.598.763*	*2.145.288*	*453.475*	*21,1%*
of which: German deposit	*359.663*	*297.839*	*61.824*	*20,8%*
Medium/long-term funding (beyond 18 months)	1.113.607	1.218.633	(105.026)	(8,6)%
Total retail funding	**4.789.355**	**4.474.892**	**314.463**	**7,0%**

Debt securities issued amount to 1.507,4 million Euro at 31 December 2024. This item breaks down as follows:

- 0,4 billion Euro related to a subordinated loan, essentially in line with 31 December 2023;
- senior bonds issued by Banca Ifis for a total of 1,1 billion Euro. Compared to 31 December 2023, the following is noted:
  - issue of 400 million Euro in senior bonds in February 2024;
  - redemption in June 2024 of 400 million Euro of senior bonds issued in 2020 and reaching maturity.

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	YEAR		CHANGE	
	31.12.2024	31.12.2023	ABSOLUTE	%
Provisions for credit risk related to commitments and financial guarantees granted	5.102	5.248	(146)	(2,8)%
Provisions on other commitments and guarantees given	337	-	337	n.a.
Provisions for pensions	218	189	29	15,3%
Legal and tax disputes	25.595	37.953	(12.358)	(32,6)%
Personnel expenses	1.788	1.895	(107)	(5,7)%
Other provisions	15.945	6.519	9.426	144,6%
Total provisions for risks and charges	**48.985**	**51.804**	**(2.819)**	**(5,4)%**

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

Provisions for credit risk related to commitments and financial guarantees granted

At 31 December 2024, this item amounts to 5,1 million Euro, stable compared with the 5,2 million Euro on 31 December 2023 and reflects the impairment losses on commitments and financial guarantees granted by the Bank in accordance with standard IFRS 9.

Provisions for pensions

At 0,2 million Euro, this item remains in line with the previous year's figure. The provision refers to the post-retirement medical plan in favour of certain employees, introduced in the third quarter of 2023. It is a defined benefit plan that provides healthcare and other benefits to employees, even after retirement.

The Bank 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 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.

Legal and tax disputes

At 31 December 2024, provisions have been made for 25,6 million Euro for legal and tax disputes. The main components are summarised below:

- 18,2 million Euro for 24 disputes concerning the Factoring Area (the plaintiffs seek 36,4 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.
- 2,8 million Euro (the plaintiffs seek 6,0 million Euro in damages) for 13 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.
- 3,4 million Euro (the plaintiffs seek 4,1 million Euro in damages) for 6 disputes concerning the Corporate Banking & Lending Area deriving from the former Interbanca.
- 1,1 million Euro (the plaintiffs seek 1,4 million Euro in damages) for 25 disputes concerning the Leasing Area and tax receivables.

Personnel expenses

At 31 December 2024, provisions are entered for staff for 1,8 million Euro (1,9 million Euro at December 2023), relating to the Solidarity Fund established in 2020.

Other provisions for risks and charges

At 31 December 2024, “Other provisions” are in place for 15,9 million Euro (6,5 million Euro at 31 December 2023), mainly consisting of: 3,1 million Euro for guarantees given in transactions involving the sale of equity instruments and loans, 3,3 million Euro relating to the Supplementary Customer Indemnity associated with the operations of the Leasing Area, and 7,5 million Euro relating to the purchase of Superbonus tax credits sold by an individually significant counterparty.

Equity

At 31 December 2024, Equity totals 1.394,4 million Euro, i.e. +2,2% from 1.364,6 million Euro at 31 December 2023.

The breakdown of the item and the change compared to the previous year are detailed in the tables below:

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS		CHANGE	
	2024	2023	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	85.391	84.108	1.283	1,5%
Valuation reserves:	(22.823)	(33.085)	10.262	(31,0)%
- Securities	(23.281)	(33.359)	10.078	(30,2)%
- Defined benefit plans (e.g. severance indemnity)	458	274	184	67,2%
Reserves	1.222.740	1.201.178	21.562	1,8%
Interim dividends	(63.084)	(62.962)	(122)	0,2%
Treasury shares	(20.971)	(21.817)	846	(3,9)%
Net profit	139.303	143.404	(4.101)	(2,9)%
Equity	**1.394.367**	**1.364.637**	**29.730**	**2,2%**

EQUITY: CHANGES	(in thousands of Euro)
Equity at 31.12.2023	**1.364.637**
Increases:	**141.583**
Profit for the year	139.303
Sale/assignment of treasury shares	1.283
Change in valuation reserve:	184
- defined benefit plans (e.g. severance indemnity)	*184*
Stock options	155
Other changes	658
Decreases:	**111.853**
Dividends distributed	110.305
- of which dividend balance on 2023 profit	*47.221*
- of which interim dividend on 2024 profit	*63.084*
Change in valuation reserve on securities (net of realisations)	1.548
Equity at 31.12.2024	**1.394.367**

The main changes in equity are:

- the positive change relative to the result for the year attributable to the Bank of 139,3 million Euro;
- the negative change of 110,3 million Euro for dividend distribution, of which 47,2 million Euro for dividends on 2023 earnings and 63,1 million Euro for the interim dividend on 2024 earnings;
- the negative change in the valuation reserve on securities for 1,5 million Euro, due to the fair value adjustment of the financial instruments classified as financial assets measured at fair value through other comprehensive income;
- the positive change of 0,2 million Euro in the stock options reserve related to the 2021-2023 Long Term Incentive (LTI) Plan;

- other increases of 1,3 million Euro, primarily connected with the Bank's share-based remuneration mechanisms for senior management, other than stock options.

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT	
	31.12.2024	31.12.2023
Common Equity Tier 1 (CET1) capital	1.316.911	1.287.685
Tier 1 capital	1.316.911	1.287.685
Total Own Funds	**1.512.420**	**1.553.347**
Total RWAs	**8.279.043**	**8.769.625**
Common Equity Tier 1 ratio	15,91%	14,68%
Tier 1 Capital ratio	15,91%	14,68%
Ratio – Total Own Funds	**18,27%**	**17,71%**

CET1, Tier 1 and Total Capital include the profits accrued by the Bank at 31 December 2024 and are stated 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 December 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 December 2024, in continuity with what has been done since 30 June 2020, the Bank has applied the temporary support provisions still in force at this reporting date, as set out in EU Regulation No. 873/2020 (the "quick-fix").

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

EU Regulation no. 873/2020, relative to the transitional provisions aimed at attenuating the impact of the introduction of IFRS 9 on Own funds - defines for entities the possibility of including in their common equity tier 1 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 provisions for the entire period.

Reclassified income statements items

Formation of net banking income

Net banking income totals 429,3 million Euro, down 5,7% from 455,1 million Euro at 31 December 2023.

NET BANKING INCOME - reclassified - (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net interest income	200.393	239.089	(38.696)	(16,2)%
Net commission income	84.308	87.882	(3.574)	(4,1)%
Other components of net banking income	144.584	128.133	16.451	12,8%
Net banking income	**429.285**	**455.104**	**(25.819)**	**(5,7)%**

Net interest income totals 200,4 million Euro, down 16,2% from the previous year's figure. In particular, interest income increased by 49,9 million Euro, driven mostly by the favourable interest rate trend. At 413,1 million Euro, interest expenses increased by about 88,6 million Euro compared to the December 2023 figure. This growth is attributable to the reshaping dynamics of funding, driven by the redemption of TLTRO lines and replaced by more expensive forms of funding.

Net commission income totals 84,3 million Euro, slowing by 4,1% from 31 December 2023. In particular:

- commission income, totalling 96,4 million Euro, slightly down (-2,3%) on 31 December 2023; this trend is mainly driven by the lesser contribution of factoring commissions on the turnover generated by customers (with or without recourse, in a flat or monthly scheme), only partly offset by the positive trend of fees for structured finance transactions, leases, as well as from other fees for services;
- commission expense totals 12,1 million Euro, up 12,2% the figure of 2023; the component 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. With the increase in German Deposit (+20,8%), the related intermediation cost also increased.

The other components of net banking income are 144,6 million Euro at 31 December 2024, up by 16,5 million Euro compared with the end of the previous year. This item breaks down as follows:

- dividends received in the amount of 94,5 million Euro, of which 72,0 million Euro from Ifis Npl Investing S.p.A. and 10,0 million Euro from Ifis Rental Services S.r.l. (105,2 million Euro at 31 December 2023, of which 89,0 million Euro related to Ifis Npl Investing S.p.A.);
- the positive net result of 1,9 million Euro from trading activities, a slowdown compared to the positive result of 2,9 million Euro in 2023, where better performance in the debt securities component was offset by negative changes in the fair value measurement of the derivatives component;
- the negative net result of hedging activities of -1,1 million Euro (-0,1 million Euro at end-2023). This item includes the results of the micro-fair value hedge on interest rate risk related to securities held by the Bank and started in the second half of 2023;
- net gains from the sale or repurchase of financial assets and liabilities in the amount of 25,2 million Euro (in 2023, net gains of 5,8 million Euro were realised), mainly related to securities transactions in the proprietary portfolio;
- 24,0 million Euro for the net positive result of other financial assets and liabilities measured at fair value through profit or loss (up 9,7 million Euro compared with the figure at 31 December 2023, of 14,3 million Euro). The performance is driven by capital gains from the sale of an equity interest of about 6,2 million Euro and net write-backs on equity securities of about 10,5 million Euro (+4,8 million Euro compared to the previous year).

The net result from financial operations amounts to 395,3 million Euro, substantially in line with the previous year's result of 403,2 million Euro (-1,9%).

FORMATION OF NET PROFIT FROM FINANCIAL ACTIVITIES - reclassified - (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net banking income	**429.285**	**455.104**	**(25.819)**	**(5,7)%**
Net credit risk losses/reversals	(33.983)	(51.949)	17.966	(34,6)%
Net profit (loss) from financial activities	**395.302**	**403.155**	**(7.853)**	**(1,9)%**

Value adjustments for credit risk amount to approximately 34,0 million Euro as at 31 December 2024. This amount was influenced, among others, by the full use of prudential adjustments (management overlay) resulting from "expert-based" assessments following the actual classification among impaired exposures of specifically identified positions. In addition, management overlays set aside during previous years to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macroeconomic expectations, were utilised against the deteriorating dynamics of the underlying portfolio clusters.

Formation of net profit for the year

FORMATION OF NET PROFIT - reclassified - (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Net profit (loss) from financial activities	**395.302**	**403.155**	**(7.853)**	**(1,9)%**
Operating costs	**(210.513)**	**(209.135)**	**(1.378)**	**0,7%**
Charges related to the banking system	(7.945)	(9.791)	1.846	(18,9)%
Net allocations to provisions for risks and charges	(2.748)	(7.226)	4.478	(62,0)%
Non-recurring expenses and income	(77)	(1.047)	970	(92,6)%
Profit (loss) on equity investments	(3.017)	(3.740)	723	(19,3)%
Pre-tax profit (loss) for the period from continuing operations	**171.002**	**172.216**	**(1.214)**	**(0,7)%**
Income taxes for the year relating to current operations	(31.699)	(28.812)	(2.887)	10,0%
Profit (Loss) for the year	**139.303**	**143.404**	**(4.101)**	**(2,9)%**

The reclassified cost/income ratio totals 49,0%, compared to 46,0% at 31 December 2023. Operating costs total 210,5 million Euro, in line with the figure of 31 December 2023 (+0,7%).

OPERATING COSTS - reclassified - (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSO-LUTE	%
Administrative expenses:	244.635	235.610	9.025	3,8%
a) personnel expenses	127.287	123.266	4.021	3,3%
b) other administrative expenses	117.348	112.344	5.004	4,5%
Net impairment losses/reversals on property, plant and equipment and intangible assets	20.492	15.582	4.910	31,5%
Other operating income/expenses	(54.614)	(42.057)	(12.557)	29,9%
Operating costs	**210.513**	**209.135**	**1.378**	**0,7%**

Personnel expenses, amounting to 127,3 million Euro, increase by 3,3% (123,3 million Euro at 31 December 2023), which can mainly be attributed to the increase in personnel, higher variable remuneration as well as incremental costs pertaining to 2024 linked to the renewal of the National Collective Bargaining Agreement (NCBA) for bank employees. The number of Bank employees at 31 December 2024 is 1.428 as compared with 1.350 resources at 31 December 2023.

Other administrative expenses, of 117,3 million Euro at 31 December 2024, are up by 4,5% on the previous year's balance. The change in this item is due to the contrasting effect in some items, as summarised in the table below:

OTHER ADMINISTRATIVE EXPENSES - reclassified - (in thousands of Euro)	YEAR		CHANGE	
	2024	2023	ABSOLUTE	%
Expenses for professional services	**41.356**	**40.357**	**999**	**2,5%**
Legal and consulting services	39.031	38.253	778	2,0%
Auditing	587	519	68	13,1%
Outsourced services	1.738	1.585	153	9,7%
Direct and indirect taxes	**14.865**	**14.045**	**820**	**5,8%**
Expenses for purchasing goods and other services	**61.127**	**57.942**	**3.185**	**5,5%**
Software assistance and hire	20.018	17.112	2.906	17,0%
Advertising and insert expenses	11.022	13.018	(1.996)	(15,3)%
Property expenses	6.964	6.492	472	7,3%
Business travel and transfers	5.243	3.989	1.254	31,4%
Customer information	3.460	3.997	(537)	(13,4)%
Telephone and data transmission expenses	3.268	2.987	281	9,4%
Car fleet management and maintenance	3.109	2.847	262	9,2%
Securitisation costs	1.117	703	414	58,9%
Postage and archiving of documents	728	861	(133)	(15,4)%
Other sundry expenses	6.198	5.936	262	4,4%
Total other administrative expenses	**117.348**	**112.344**	**5.004**	**4,5%**

“Legal and consulting services" expenses amount to 39,0 million Euro at 31 December 2024 (+2,0% compared to the previous year), mainly referring to judicial collection activities for non-performing loans, and consulting activities related to the implementation of the Bank's strategic projects.

"Direct and indirect taxes" amount to 14,9 million Euro and consist mainly of stamp duty in the amount of 13,2 million Euro (+1,2 million Euro with the figure at the end of 2023), the charge of which to customers is included in “Other operating income”.

“Expenses for purchasing goods and other services” amount to 61,1 million Euro, up 5,5% from the 57,9 million Euro at 31 December 2023. The trend is as follows:

- costs for software assistance and hire, which increase by 17,0% compared to 2023, due almost entirely to increased interventions for the Bank's software;
- advertising and insert expenses amount to 11,0 million Euro in December 2024, compared to 13,0 million Euro in the previous year. The latter had been affected by the launch of new advertising campaigns in 2023, which marked the 40th anniversary of the founding of Banca Ifis;
- business travel and transfers up by around 1,3 million Euro compared to the December 2023 figure.

Net adjustments and reversals of property, plant and equipment and intangible assets at 31 December 2024 amount to 11,1 million Euro and 9,4 million Euro, respectively up by 2,4 million Euro and 2,5 million Euro compared with the previous year’s figure.

Other net operating income, amounting to 54,6 million Euro at 31 December 2024, records an increase of 12,5 million Euro on the figure for last year (42,1 million Euro). The item refers mainly to revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations.

Charges related to the banking system amount to 7,9 million Euro and relate to costs for the operation of the banking system's guarantee fund. It should be noted that, compared to the previous year, the contribution related to the SRF (4,1 million Euro in 2023) was not requested as the accumulation plan target was reached during 2023.

Net allocations to provisions for risks and charges at 31 December 2024 amount to 2,7 million Euro, while the balance at 31 December 2023 was 7,2 million Euro. The item was characterised by releases for the positive development of existing disputes, including, in particular, the settlement of disputes related to former Interbanca (for 3,3 million Euro) and releases related to former Aigis Banca (for 5,8 million Euro), which were more than offset by provisions of 7,5 million Euro to cover risks related to outstanding disputes on tax credits for Superbonus and 1,6 million Euro arising from guarantees issued on the sale of equity instruments and loans.

Losses on disposal of investments include the effects of the adjustment of the valuation of the subsidiary Cap.Ital.Fin for 3,0 million Euro.

Pre-tax profit from continuing operations amounts to 171,0 million Euro, in line with the previous year's figure (-0,7% compared to 31 December 2023).

Income taxes at 31 December 2024 amount to 31,7 million Euro and the tax rate for FY 2024 is 18,54%, up from the previous year's figure of 16,73%. The effective tax rate is below the theoretical tax rate of 33,07% (27,5% IRES + 5,57% IRAP) primarily due to the partial taxation of dividends received by the Bank, 95% of which are excluded from IRES taxation and 50% from IRAP taxation.

In view of the foregoing, net profits come to 139,3 million Euro (slightly down on last year, -2,9%).

Main risks and uncertainties

Taking into account the business carried out and the results achieved, the Bank's financial position is proportionate to its needs. Indeed, the Bank's financial policy is aimed at favouring funding stability and diversification rather than the immediate operating needs.

The main risks and uncertainties originated by the current conditions of the financial markets, deriving both from international tensions and the geo-political context observed, made even more uncertain by the outcome of the recent US elections, as of today do not present elements of particular criticality for the Bank's financial equilibrium and in any case are considered such, from a prospective point of view, as not to generate doubts on the Group's ability to continue operating as a going concern.

Refer to Part E of the Notes for information on Banca Ifis's risks typical of the banking sector, as well as to what is set forth in the Directors’ Report on Banca Ifis in the section "Business outlook".

Banca Ifis shares

The share price

The ordinary shares of Banca Ifis S.p.A. are listed on the STAR segment, and the bank is listed on the Ftse Italia Mid Cap index. The following table shows the share prices at the end of the year.

Official share price	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Share price at year-end	21,18	15,70	13,31	17,07	9,18

Outstanding shares	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Number of shares outstanding at year end (in thousands) (1)	52.572	52.468	52.433	53.472	53.460

(1) Outstanding shares are net of treasury shares held in the portfolio.

Payout ratio

For 2024, the Banca Ifis Board of Directors will propose to the Shareholders' Meeting to distribute 0,92 Euro per share by way of period interim dividend. In November 2024, an interim dividend of 1.20 Euro per share had already been distributed for FY 2024. The total 2024 dividend (interim and balance) thus amounts to 2,12 Euro per share.

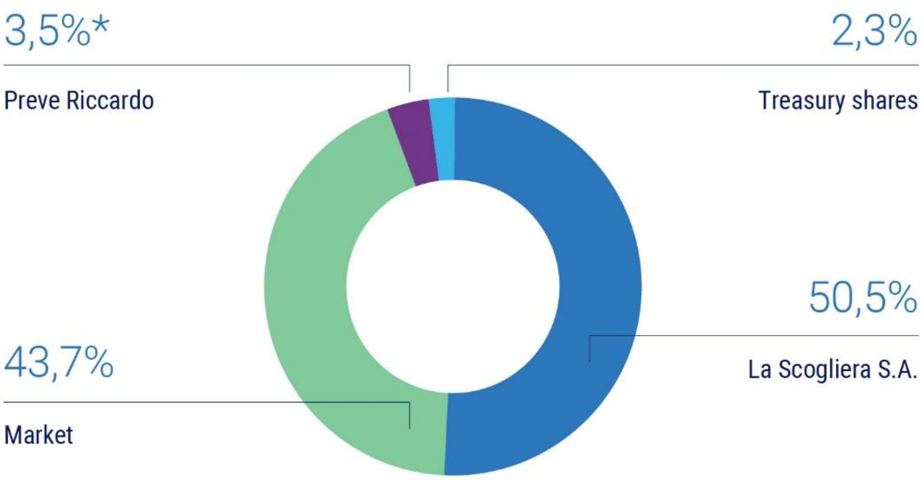
Payout ratio (in thousands of Euro)	2024	2023	2022	2021	2020
Net profit	139.303	143.404	79.796	56.468	59.504
Dividends (1)	111.450	110.240	73.418	49.811	25.132
Payout ratio (1)	**80,0%**	**76,9%**	**92,0%**	**88,2%**	**42,2%**

(1) The figures for FY 2024 take into account both the 2024 interim dividend distributed on 20 November 2024 (the payment date) and the dividend proposal prepared by the Board of Directors of Banca Ifis.

Shareholders

The share capital of Banca Ifis at 31 December 2024 amounts to 53.811.095 Euro and is broken down into 53.811.095 shares worth a nominal amount of 1 Euro each.

Below are Banca Ifis's shareholders that, either directly or indirectly, own equity instruments with voting rights representing over 3% of Banca Ifis's share capital:



*Through himself for 0,38% and through Preve Costruzioni for 3,16%.

Corporate governance rules

Banca Ifis has adopted the Corporate Governance Code for listed companies. The Bank's Board of Directors has established the Control and Risk Committee, the Appointments Committee and the Remuneration Committee. The Board of Directors has also appointed a Supervisory Body with autonomous powers of initiative and control pursuant to Italian Legislative Decree No. 231/2001.

Internal dealing rules

Banca Ifis regulations on internal dealing are aligned with the relevant EU legislation (EU Regulation No. 596/2014, the Market Abuse Regulation) and aims to ensure the utmost transparency in the Bank's disclosures to the market.

The “Policy on transactions carried out by Relevant Persons and Persons Closely Related to them in shares, debt securities and related financial instruments issued by Banca Ifis S.p.A.” (Internal Dealing Policy) regulates:

- the requirements related to identifying the Relevant Persons and the so-called “closely related people”;
- the management of information relating to transactions exceeding the minimum amount threshold on units, credit securities or related instruments issued by Banca Ifis, carried out, directly or indirectly, by a Relevant Person or by a Closely Related Person and subject to notification obligations;
- the handling of closed periods, i.e. those periods during which the Relevant Persons must refrain from trading in shares or other debt instruments issued by Banca Ifis as well as financial instruments linked to them.

The Relevant Persons are:

- the members of the Board of Directors;
- the members of the Board of Statutory Auditors;
- managers regarded as “key managers”, i.e:
  - Co-General Manager Chief Operating Officer (COO);

- Co-General Manager Chief Commercial Officer (CCO);
- Head of the Communication, Marketing, Public Affairs & Sustainability Department;
- Chief of Staff and Chairman's Communication;
- Chief Financial Officer (CFO);
- Manager charged with preparing the company's financial reports;
- Chief Financial Officer (CLO);
- Head of the Npl Department;
- Head of Internal Audit;
- Head of Compliance;
- Chief Financial Officer (CRO);
- Head of Anti-Money Laundering;
- Director Human Resources;
- General Counsel Manager;
- Head of Investor Relations & Corporate Development;
- CEO of Ifis Npl Servicing S.p.A.;
- General Manager of Ifis Npl Servicing S.p.A.;
- CEO of Banca Credifarma S.p.A.

- any person holding an interest, calculated pursuant to Article 118 of the Issuers' Regulation, equal to at least 10% of the share capital of Banca Ifis, represented by shares with voting rights as well as another subject who controls the Bank.
- additional persons identified as such, even for limited periods of time, by specific resolution of the Board of Directors of Banca Ifis.

Persons closely related to Relevant Persons are also subject to the Internal Dealing Policy. This document is available on Banca Ifis's website, www.bancaifis.it, in the "Corporate Governance" Section, "Internal Dealing" sub-section.

Rules for the handling of inside information

Internal procedures for handling inside information and the list of individuals who have access to inside information are aligned with the Market Abuse Regulation.

In compliance with Article 115-bis of Italian Legislative Decree No. 58/1998, Banca Ifis has created a list of individuals who, in performing their professional and work duties or in carrying out their activity, have access to inside information (the list of insiders). Banca Ifis constantly updates this list.

In addition, the Bank has adopted the "Group policy for the handling of inside information" in order to:

- prevent individuals who, based on their duties, have no reason to know such information from accessing it;
- identify the individuals who have access to such information at all times.

This policy also describes the process of handling inside information of third-party issuers, also with reference to the management of passive market surveys.

Significant events occurred during the year

Banca Ifis transparently and timely 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.

Below is a summary of the most significant events that occurred during the year.

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

On 29 January 2024, the Banca Ifis Group received notice from the Bank of Italy of the conclusion of the periodic prudential review process ("SREP decision") conducted on the Group. The Bank of Italy has identified the following capital requirements (equal to the sum of the Overall Capital Requirement and Pillar 2 Guidance) for 2024 on a consolidated basis:

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

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

Issue of a 400 million Euro bond maturing in 5 years

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

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

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

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

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

- the Financial Statements as at 31 December 2023;
- the allocation of net profit, taking into account the exercise of the capitalisation option provided for by Article 26, paragraph 5-bis of Decree Law No. 104/2023 (converted with amendments by Law No. 136 of 9 October 2023), to the non-distributable reserve in the amount of 23.905.112 Euro (amount equal to two and a half times the tax calculated pursuant to the aforementioned Article 26 of Decree Law No. 104/2023);
- the distribution of a balance on the dividend for FY 2023 of 0,90 Euro, gross of withholding taxes, for each of the Banca Ifis shares issued and outstanding. This 2023 dividend balance was 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.

Restructuring of the securitisation "Ifis ABCP Programme" of factoring receivables worth 1,15 billion Euro

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

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

This restructuring transaction did not have any impact on the Bank's economic and equity position.

1,5 billion Euro TLTRO lines repaid in 2024

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

It should be noted that, as early as the end of 2023, the Bank put in place the managerial actions preparatory to the replacement of this funding component through senior bond issues, the increase of retail funding with a multi-channel strategy and targeted marketing campaigns as well as the restructuring of securitisation transactions on the Bank's portfolios.

Distribution of a 2024 interim dividend of 63,1 million Euro (1,20 Euro per share)

On 7 November 2024, the Banca Ifis Board of Directors resolved to distribute an interim dividend for 2024 totalling 63.083.736,00 Euro, i.e. equal to 1,20 Euro (gross of withholding taxes) for each of the 52.569.780 Banca Ifis shares issued and outstanding as of such date (and therefore excluding treasury shares held by the Bank). The interim dividend 2024 was paid with ex-dividend date 18 November 2024, record date of 19 November and payment date of 20 November 2024. The report by the Board of Directors and the accounting statement at 30 September 2024 pursuant to Article 2433-bis of the Italian Civil Code, on the basis of which the Board of Directors of Banca Ifis resolved to distribute the interim dividend and included in the Interim Report as at 30 September 2024 - are made available to the public at the Bank's registered office, as well as on the authorised storage mechanism and on the Bank's institutional website, www.bancaifis.it, in the "Investor Relations & Corporate Development" section. Lastly, for the purposes of the distribution of the interim dividend, on 7 November 2024, the independent auditing firm PricewaterhouseCoopers S.p.A. issued the opinion required by Article 2433-bis of the Italian Civil Code, which has been made available to shareholders at the Bank's registered office.

Subsequent events

Voluntary takeover and exchange offer for all shares of illimity Bank submitted

On 7 January 2025, the Board of Directors of Banca Ifis approved the promotion of a voluntary takeover and exchange offer on all shares of illimity Bank. The offer was disclosed to the market on 8 January 2025 by means of a notice circulated pursuant to Article 102, paragraph 1 of Legislative Decree No. 58/98 (the 'TUF') and Article 37 of the regulations adopted by CONSOB Resolution No. 11971/99 (the 'Issuers' Regulations'). The offer, which is conditional upon obtaining the relevant regulatory authorisations and the fulfilment of the established conditions, is aimed at the acquisition by Banca Ifis of 100% ownership of the shares of illimity Bank listed on Euronext Milan, Euronext STAR Milan Segment. In particular, Banca Ifis has proposed that for each share of illimity Bank tendered to the offer, a consideration expressing a unit valuation of 3,55 Euro, based on the official price of Banca Ifis shares on 7 January 2025, will be paid. This consideration is composed of:

- 0,1 newly issued shares of Banca Ifis for each share of illimity Bank and
- a cash component of 1,414 Euro.

On 27 January 2025, Banca Ifis filed with Consob the offer document pursuant to Articles 102 and 106, paragraph 4 of the Consolidated Law on Finance concerning the entirety of the ordinary shares of illimity Bank. Furthermore, Banca Ifis announced that it has submitted to the competent Authorities the applications and/or communications to obtain the authorisations required under the regulations applicable to the offer, pursuant to and in accordance with Article 102, paragraph 4, of the TUF and Article 37-ter, paragraph 1, letter b), of the Issuers' Regulations.

If the offer is successful, the transaction, which envisages the subsequent merger by incorporation of illimity Bank into Banca Ifis, may enable the Bank to accelerate its growth path and consolidate its leadership in the Italian speciality finance market, expanding its SME customer base, entering new businesses and segments, and maintaining its leadership in Npls.

Information on international tensions

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

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

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

Business outlook

Refer to the section 'Business outlook' in the Directors’ Report on the Group of the Consolidated Financial Statements.

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 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

With reference to the Report on Corporate Governance and Shareholding Structure, reference is made to the latest version prepared in accordance with the third paragraph of Art. 123-bis of Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance, or "TUF"), i.e. that prepared for FY 2024 in the form of a separate report from the Directors' Report on the Group, approved by the Board of Directors on 6 March 2025 and published together with the Consolidated Financial Statements for the year ended 31 December 2024. This document is also made available in the “About us” section, "Corporate Governance" subsection, paragraph on "Reports and Documents", sub-paragraph "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 “About us” section, "Corporate governance" subsection, paragraph on "Remuneration" of the corporate website www.bancaifis.it includes the "2024 Report on Remuneration Policy and Remuneration Paid", drafted pursuant to Article 123 ter of the TUF, where the remuneration policy valid for FY 2024 for the Banca Ifis Group is illustrated.

Privacy measures

The Bank 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 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.

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.

In 2024, Banca Ifis, as variable pay, awarded the Top Management 104.132 treasury shares at an average price of 12,32 Euro, for a total of 1,3 million Euro and a nominal amount of 104.132 Euro, making profits of 437 thousand Euro that, in application of the provisions of Bank of Italy Circular no. 262/2005 and subsequent updates, were recognised under the equity reserve “Issue premiums”.

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

Considering the above operations, the stock at the end of the year was 1.238.886 treasury shares, with an equivalent value of 21,0 million Euro and a nominal amount of 1.238.886 Euro.

It should be noted that the Bank does not hold, directly or indirectly, any shares in the parent company La Scogliera S.A..

Transactions with Group companies and related parties

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

During 2024, no significant transactions with related parties were undertaken outside the scope of the Bank.

The disclosure on related party transactions and the description of the most significant transactions concluded with related parties during the financial year, provided for by the Regulation adopted by Consob with resolution No. 17221 of 12 March 2010 and subsequent amendments, are reported in "Part H - Related-party transactions" of the Notes to the Consolidated Financial Statements, to which reference should be made.

Atypical or unusual transactions

During 2024, the Bank did not carry out atypical or unusual transactions as defined by Consob Communication No. 6064293 of 28 July 2006.

The Bank's offices

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

Human resources

At 31 December 2024, Banca Ifis had 1.428 employees (1.350 at 31 December 2023). Below is a breakdown of the workforce by classification level.

EMPLOYEES BY CLASSIFICATION LEVEL	31.12.2024		31.12.2023		CHANGES	
	Number	%	Number	%	Number	%
Senior managers	88	6,2%	88	6,5%	-	0,0%
Middle managers	565	39,6%	522	38,7%	43	8,2%
Clerical staff	775	54,3%	740	54,8%	35	4,7%
Total Banca Ifis employees	**1.428**	**100,0%**	**1.350**	**100,0%**	**78**	**5,8%**

Research and development activities

Due to its business, the Bank did not implement any research and development programmes during the year.

Annual profit distribution proposal

Dear Shareholders,

The Board of Directors proposes to allocate the profit for the year, amounting to 139.302.991 Euro, as follows:

- to the reserve of non-distributable profits pursuant to Art. 6 of Legislative Decree no. 38/2005 the amount of 14.984.274 Euro;
- distributing to shareholders a cash dividend (before tax withholdings required by law) of 0,92 Euro per ordinary share in issue with ex-dividend date (coupon No. 31) on 19 May 2025. In November 2024, an interim dividend of 1,20 Euro per share had already been distributed for FY 2024. This dividend includes the portion attributable to the company's treasury shares. As per Article 83-terdecies of Italian Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance, or "TUF"), eligibility for the dividend is determined based on the shareholders of record on the intermediary's books as per Article 83-quater, paragraph 3 of the Consolidated Law on Finance at the end of 20 May 2025 (the record date);
- to other reserves the remainder of the allocation referred to above.

Payment will be made on 21 May 2025 through the authorised intermediaries with which the shares are registered on the Monte Titoli System.

Venice - Mestre, 6 March 2025

For the Board of Directors

The CEO

Frederik Herman Geertman

2024 Annual Report

Financial Statements

Banca Ifis

Statement of Financial Position

	ASSETS (in units of Euro)	31.12.2024	31.12.2023
10.	Cash and cash equivalents	334.189.908	599.016.467
20.	Financial assets measured at fair value through profit or loss	233.919.927	216.049.105
	a) financial assets held for trading	3.488.967	583.205
	c) other financial assets mandatorily measured at fair value	230.430.960	215.465.900
30.	Financial assets measured at fair value through other comprehensive income	701.824.564	749.171.044
40.	Financial assets measured at amortised cost	10.081.194.814	9.836.784.565
	a) receivables due from banks	760.944.739	634.802.491
	b) receivables due from customers	9.320.250.075	9.201.982.074
50.	Hedging derivatives	7.404.271	-
70.	Equity investments	699.511.343	672.528.343
80.	Property, plant and equipment	163.013.951	140.810.946
90.	Intangible assets	40.099.548	32.993.043
100.	Tax assets:	173.773.896	238.924.453
	a) current	21.491.338	29.269.663
	b) deferred	152.282.558	209.654.790
120.	Other assets	332.417.381	376.895.638
	Total assets	**12.767.349.603**	**12.863.173.604**

	LIABILITIES AND EQUITY (in units of Euro)	31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	11.034.158.033	11.117.517.248
	a) payables due to banks	1.327.383.534	2.604.466.155
	b) payables due to customers	8.199.423.428	7.077.198.747
	c) debt securities issued	1.507.351.071	1.435.852.346
20.	Financial liabilities held for trading	13.765.045	14.005.340
40.	Hedging derivatives	14.868.050	11.643.727
60.	Tax liabilities:	36.198.492	38.268.504
	a) current	9.137.977	8.799.355
	b) deferred	27.060.515	29.469.149
80.	Other liabilities	219.927.675	259.976.018
90.	Post-employment benefits	5.080.658	5.321.717
100.	Provisions for risks and charges:	48.984.871	51.804.638
	a) commitments and guarantees granted	5.438.975	5.248.405
	b) pensions and similar obligations	217.506	189.344
	c) other provisions for risks and charges	43.328.390	46.366.889
110.	Valuation reserves	(22.822.809)	(33.085.299)
140.	Reserves	1.222.739.288	1.201.177.993
145.	Interim dividends	(63.083.736)	(62.961.692)
150.	Share premiums	85.390.743	84.107.651
160.	Share capital	53.811.095	53.811.095
170.	Treasury shares (-)	(20.970.793)	(21.817.335)
180.	Profit (loss) for the year (+/-)	139.302.991	143.403.999
	Total liabilities and equity	**12.767.349.603**	**12.863.173.604**

Income Statement

	ITEMS (in units of Euro)	31.12.2024	31.12.2023
10.	Interest receivable and similar income	613.512.957	563.632.166
	of which: interest income calculated using the effective interest method	*596.001.233*	*557.601.255*
20.	Interest due and similar expenses	(413.119.643)	(324.542.772)
30.	**Net interest income**	**200.393.314**	**239.089.394**
40.	Commission income	96.447.722	98.701.387
50.	Commission expense	(12.140.179)	(10.819.465)
60.	**Net commission income**	**84.307.543**	**87.881.922**
70.	Dividends and similar income	94.543.393	105.172.263
80.	Net profit (loss) from trading	1.939.050	2.915.709
90.	Net result from hedging	(1.139.886)	(100.442)
100.	Profit (loss) from sale or buyback of:	24.866.619	6.210.284
	a) financial assets measured at amortised cost	16.598.480	2.527.346
	b) financial assets measured at fair value through comprehensive income	8.203.768	2.656.229
	c) financial liabilities	64.371	1.026.709
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	24.043.775	14.331.719
	b) other financial assets mandatorily measured at fair value	24.043.775	14.331.719
120.	**Net banking income**	**428.953.808**	**455.500.849**
130.	Net credit risk losses/reversals on:	(33.393.739)	(54.974.424)
	a) financial assets measured at amortised cost	(33.876.530)	(54.894.049)
	b) financial assets measured at fair value through other comprehensive income	482.791	(80.375)
150.	**Net profit (loss) from financial activities**	**395.560.069**	**400.526.425**
160.	Administrative expenses:	(252.657.090)	(247.493.455)
	a) personnel expenses	(127.287.102)	(123.267.457)
	b) other administrative expenses	(125.369.988)	(124.225.998)
170.	Net allocations to provisions for risks and charges	(3.005.085)	(3.555.354)
	a) commitments and guarantees granted	(256.743)	3.670.763
	b) other net allocations	(2.748.342)	(7.226.117)
180.	Net impairment losses/reversals on property, plant and equipment	(11.109.808)	(8.716.206)
190.	Net impairment losses/reversals on intangible assets	(9.382.478)	(6.866.125)
200.	Other operating income/expenses	54.613.469	42.061.072
210.	**Operating costs**	**(221.540.992)**	**(224.570.068)**
220.	Profit (loss) on equity investments	(3.017.000)	(3.740.072)
260.	**Pre-tax profit (loss) for the period from continuing operations**	**171.002.077**	**172.216.285**
270.	Income taxes for the year relating to current operations	(31.699.086)	(28.812.286)
280.	**Profit (loss) from continuing operations, net of taxes**	**139.302.991**	**143.403.999**
300.	**Profit (loss) for the year**	**139.302.991**	**143.403.999**

Statement of Comprehensive Income

ITEMS (in units of Euro)		31.12.2024	31.12.2023
10.	**Profit (loss) for the year**	**139.302.991**	**143.403.999**
	Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**(3.756.240)**	**(4.506.076)**
20.	Equity securities measured at fair value through other comprehensive income	(3.787.154)	(4.466.110)
30.	Financial liabilities measured at fair value through profit or loss (changes in own credit risk)	-	-
40.	Hedging of equity securities measured at fair value through other comprehensive income	(153.568)	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	184.482	(39.966)
80.	Non-current assets and disposal groups	-	-
90.	Share of valuation reserves of equity accounted investments	-	-
	Other comprehensive income, net of taxes, to be reclassified to profit or loss	**2.392.510**	**16.821.442**
100.	Foreign investment hedges	-	-
110.	Exchange differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated items)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	2.392.510	16.821.442
150.	Non-current assets and disposal groups	-	-
160.	Share of valuation reserves of equity accounted investments	-	-
170.	**Other comprehensive income, net of taxes**	**(1.363.730)**	**12.315.366**
180.	**Comprehensive income (Item 10 + 170)**	**137.939.261**	**155.719.365**

Statement of Changes in Equity at 31 December 2024

(in units of Euro)	Balance at 31.12.2023	Change in opening balances	Balance at 01.01.2024	Allocation of profit from previous year		Changes during the year									Equity at 31.12.2024
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions							Comprehensive income for the year 2024	
							Issue of new shares	Buyback of treasury shares	Interim dividends	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options		
Share capital:															
a) ordinary shares	53.811.095	-	53.811.095	-	-	-	-	-	-	-	-	-	-	-	**53.811.095**
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share premiums	84.107.651	-	84.107.651	-	-	846.541	436.551	-	-	-	-	-	-	-	**85.390.743**
Reserves:															
a) retained earnings	1.196.851.787	-	1.196.851.787	33.221.037	-	(11.814.935)	-	-	-	-	-	-	-	-	**1.218.257.889**
b) other	4.326.206	-	4.326.206	-	-	-	-	-	-	-	-	-	155.193	-	**4.481.399**
Valuation reserves:	(33.085.299)	-	(33.085.299)	-	-	11.626.220	-	-	-	-	-	-	-	(1.363.730)	**(22.822.809)**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Interim dividends	(62.961.692)	-	(62.961.692)	-	62.961.692	-	-	-	(63.083.736)	-	-	-	-	-	**(63.083.736)**
Treasury shares	(21.817.335)	-	(21.817.335)	-	-	-	846.542	-	-	-	-	-	-	-	**(20.970.793)**
Profit (loss) for the year	143.403.999	-	143.403.999	(33.221.037)	(110.182.962)	-	-	-	-	-	-	-	-	139.302.991	**139.302.991**
Equity	**1.364.636.412**	**-**	**1.364.636.412**	**-**	**(47.221.270)**	**657.826**	**1.283.093**	**-**	**(63.083.736)**	**-**	**-**	**-**	**155.193**	**137.939.261**	**1.394.366.779**

Statement of Changes in Equity at 31 December 2023

(in units of Euro)	Balance at 31.12.2022	Change in opening balances	Balance at 01.01.2023	Allocation of profit from previous year: Reserves	Allocation of profit from previous year: Dividends and other allocations	Changes during the year: Changes in reserves	Changes during the year: Equity transactions: Issue of new shares	Equity transactions: Buyback of treasury shares	Equity transactions: Interim dividends	Equity transactions: Extraordinary distribution of dividends	Equity transactions: Changes in equity instruments	Equity transactions: Derivatives on treasury shares	Equity transactions: Stock options	Comprehensive income for the year 2023	Equity at 31.12.2023
Share capital:															
a) ordinary shares	53.811.095	-	53.811.095	-	-	-	-	-	-	-	-	-	-	-	**53.811.095**
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Share premiums	83.766.584	-	83.766.584	-	-	286.724	54.343	-	-	-	-	-	-	-	**84.107.651**
Reserves:															
a) retained earnings	1.194.780.800	-	1.194.780.800	6.378.451	-	(4.307.464)	-	-	-	-	-	-	-	-	**1.196.851.787**
b) other	3.218.203	-	3.218.203	-	-	-	-	-	-	-	-	-	1.108.002	-	**4.326.206**
Valuation reserves:	(50.653.450)	-	(50.653.450)	-	-	5.252.785	-	-	-	-	-	-	-	12.315.366	**(33.085.299)**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Interim dividends	(52.433.114)	-	(52.433.114)	-	52.433.114	-	-	-	(62.961.692)	-	-	-	-	-	**(62.961.692)**
Treasury shares	(22.104.058)	-	(22.104.058)	-	-	-	286.723	-	-	-	-	-	-	-	**(21.817.335)**
Profit (loss) for the year	79.796.332	-	79.796.332	(6.378.451)	(73.417.881)	-	-	-	-	-	-	-	-	143.403.999	**143.403.999**
Equity	**1.290.182.392**	**-**	**1.290.182.392**	**-**	**(20.984.767)**	**1.232.045**	**341.066**	**-**	**(62.961.692)**	**-**	**-**	**-**	**1.108.002**	**155.719.365**	**1.364.636.412**

Cash Flow Statement

CASH FLOW STATEMENT Indirect method (in units of Euro)	Amount	
	31.12.2024	31.12.2023
A. OPERATING ACTIVITIES		
1. Operations	**120.147.964**	**147.809.132**
- profit (loss) for the year (+/-)	139.302.991	143.403.999
- profit/loss on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	(25.982.825)	(17.247.428)
- gains/losses on hedging (-/+)	1.139.886	100.442
- net credit risk losses/reversals (+/-)	33.393.739	54.974.424
- net impairment losses/reversals on property, plant and equipment and intangible assets (+/-)	20.492.286	15.582.331
- net allocations to provisions for risks and charges and other expenses/income (+/-)	8.583.280	8.804.339
- unpaid taxes, duties and tax credits (+/-)	31.699.086	28.812.286
- other adjustments (+/-)	(88.480.479)	(86.621.261)
2. Cash flows generated/absorbed by financial assets	**(141.775.126)**	**(499.336.612)**
- financial assets held for trading	(966.712)	4.102.704
- other assets mandatorily measured at fair value	9.078.715	(13.540.095)
- financial assets measured at fair value through other comprehensive income	55.704.143	(34.076.794)
- financial assets measured at amortised cost	(278.292.778)	(561.648.237)
- other assets	72.701.506	105.825.810
3. Cash flows generated/absorbed by financial liabilities	**(137.797.846)**	**564.129.561**
- financial liabilities measured at amortised cost	(86.097.095)	574.228.418
- financial liabilities held for trading	(240.295)	(11.976.523)
- other liabilities	(51.460.456)	1.877.665
Net cash flows generated/absorbed by operating activities A (+/-)	**(159.425.008)**	**212.602.080**
B. INVESTING ACTIVITIES		
1. Cash flows generated by	**82.000.000**	**89.000.000**
- dividends collected on equity investments	82.000.000	89.000.000
2. Cash flows absorbed by	**(77.063.916)**	**(57.542.595)**
- purchases of equity investments	(30.000.000)	(14.936.407)
- purchases of property, plant and equipment	(30.574.933)	(25.388.552)
- purchases of intangible assets	(16.488.983)	(17.217.636)
- purchases of business units	-	-
Net cash flows generated/absorbed by investing activities B (+/-)	**4.936.084**	**31.457.405**
C. FINANCING ACTIVITIES		
- distribution of dividends and other (*)	(110.337.635)	(85.156.650)
Net cash flows generated/absorbed by financing activities C (+/-)	**(110.337.635)**	**(85.156.650)**
NET CASH GENERATED/USED DURING THE YEAR D=A+/-B+/-C	**(264.826.559)**	**158.902.835**
RECONCILIATION		
OPENING CASH AND CASH EQUIVALENTS E	**599.016.467**	**440.113.632**
TOTAL NET CASH GENERATED/USED DURING THE YEAR D	**(264.826.559)**	**158.902.835**
CASH AND CASH EQUIVALENTS: EFFECT OF CHANGES IN EXCHANGE RATES F	**-**	**-**
CLOSING CASH AND CASH EQUIVALENTS G=E+/-D+/-F	**334.189.908**	**599.016.467**

KEY:
(+) generated (-) used
(*) The balances in this item represent the cash outflow for dividend payments in the respective years. Specifically, the balance relating to FY 2024 includes both the distribution of the balance of the dividend on 2023 earnings (i.e. the amount in excess of what has already been distributed as an interim dividend during 2023) and the distribution of the interim dividend on 2024 earnings. The balance for FY 2023 instead includes both the distribution of the balance on the dividend on 2022 profit and the distribution of the interim dividend on 2023 profit.

The information required by IAS 7 paragraph 44 A and B is set out below.

DISCLOSURE IAS 7 paragraph 44 A and B (in units of Euro)	31.12.2023	Cash flows	Non-monetary changes		31.12.2024
			Change in fair value	Other	
Liabilities from financing activities (liability items 10 - 20 - 30)	11.131.522.589	(86.337.390)	(240.295)	2.978.173	11.047.923.077

2024 Annual Report

Notes to the Financial Statements

Banca Ifis

Part A - Accounting policies

A.1 - General part

Section 1 – Statement of compliance with international accounting standards

The Annual Financial Statements at 31 December 2024 have been drawn up in accordance with the IAS/IFRS standards in force at said date issued by the International Accounting Standards Board (IASB), together with the relevant interpretations (IFRICs and SICs). These standards were adopted 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.

For the interpretation and application of the international accounting standards, reference was made to the following documents, although not endorsed by the European Union:

- Systematic Framework for the Preparation and Presentation of Financial Statements ("Conceptual Framework");
- Implementation Guidance, Basis for Conclusions and any other documents prepared by the IASB or IFRIC to complement the issued accounting standards.

The accounting standards adopted in preparing these Financial Statements are those in force at 31 December 2024 (including SIC and IFRIC interpretations).

For an overview of the accounting standards and related interpretations endorsed by the European Commission, which are expected to be applied in FY 2024 or in future financial years, please refer to the following.

Insofar as applicable, the Bank also considered the communications from Supervisory Authorities (Bank of Italy, ECB, EBA, Consob, and ESMA), which provide recommendations on the disclosure to report concerning the most material aspects in terms of accounting or the accounting treatment of specific transactions.

These Annual Financial Statements are subject to certification by the delegated corporate bodies and the Manager charged with preparing the company's financial reports, as per Article 154 bis paragraph 5 of Italian Legislative Decree No. 58 of 24 February 1998.

European Commission Regulation 815/2019 (the European Single Electronic Format – ESEF - Regulation)

European Commission Regulation 815/2019 (the "European Single Electronic Format" or "ESEF" Regulation), issued in order to implement Directive 2004/109/EC (the "Transparency Directive"), introduced the obligation to prepare the annual financial reports of issuers whose securities are listed on regulated markets in the European Union in a single electronic reporting format.

The task of developing regulatory technical standards to specify this format was given to the European Securities and Markets Authority (ESMA), which published the European Single Electronic Format (ESEF). This format represents a combination of xHTML (for the presentation of financial reports in a human readable format) and XBRL (eXtensible Business Reporting Language) "machine readable" markup, with the aim of facilitating the accessibility, analysis and comparability of consolidated financial statements prepared in accordance with the IFRS.

For 2024, it is expected that only the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements must be "branded" to the ESEF taxonomy, according to the "Inline XBRL" specifications of the basic taxonomy issued by the ESMA. Since the document "2024 Financial Statements" also includes the separate financial statements of the parent company, the entire document is in xHTML format.

Section 2 – Basis of preparation

The Annual Financial Statements consist of:

- the Annual Financial Statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, and statement of cash flows);
- the Notes to the Financial Statements;

In addition, it also comprises the Directors' Report.

The Annual Financial Statements have been drawn up according to the general principles of IAS 1, referring also to IASB's "Framework for the preparation and presentation of financial statements", with particular attention to the fundamental principles of substance over legal form, the concepts of relevance and materiality of information, and the accruals and going concern accounting concepts.

For the preparation of these Annual Financial Statements, reference was made to the format set out by Bank of Italy's Circular No. 262 of 22 December 2005, 8th update of 17 November 2022.

In line with the aforementioned Circular, items that do not show any amounts for the reference year and previous year are not shown in the tables.

In addition to the accounting data as at 31 December 2024, the financial statements provide comparative information for the last approved financial statements as at 31 December 2023.

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 Financial Statements at 31 December 2024 have remained substantially unchanged from those adopted for the preparation of Banca Ifis 2023 Financial Statements.

The Financial Statements are prepared in accordance with the following general principles:

- going concern: the Financial Statements are prepared on a going concern basis, having regard to the Bank's business, as detailed below;
- recognition on an accrual basis;
- consistency of presentation: the presentation and classification of items in the financial statements is kept constant from one year to the next unless a standard or interpretation requires a change in presentation or another presentation or classification is no longer appropriate. In the latter case, the Notes to the financial statements provide information on the changes made compared to the previous year;
- materiality and aggregation: the balance sheet and income statement consist of items (denoted by Arabic numerals), sub-items (denoted by letters) and additional disclosure details (the "of which" of items and sub-items). The items, sub-items and related information details constitute the financial statements accounts. New items may be added to the previously described financial statements if their content is not traceable to any of the items already included in the schedules. The subheadings provided for in the schedules may be grouped together when one of the two following conditions is met:
  - the amount of the subheadings is not significant;
  - grouping improves the clarity of the financial statements; in this case, the Notes to the financial statements contain the grouped sub-items separately.
- substance over form: transactions and other events are recognised and represented in accordance with their substance and economic reality and not merely according to their legal form;

- offsetting: assets and liabilities, income and expenses are not offset unless permitted or required by an international accounting standard or interpretation thereof or by the provisions of the aforementioned Circular No. 262;
- comparative information: for each balance sheet and income statement, comparative information for the previous year is provided, unless an accounting standard or interpretation permits or provides otherwise. Figures for the previous year may be adjusted where necessary to ensure comparability of information for the reference year. Any non-comparability, adjustment or impossibility of the latter are reported and commented on in the Notes to the Financial Statements.

The Notes to the Financial Statements are divided into parts: A - Accounting policies, B - Information on the balance sheet, C - Information on the income statement, D - Consolidated comprehensive income, E - Information on risks and related hedging policies, F - Information on assets, G - Business combinations, H - Related-party transactions, I - Share-based payments, L - Segment reporting, M - Leasing disclosure.

Each part of the Notes is divided into sections, each of which illustrates a single aspect of management.

Information on the business as a going concern

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

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

In this regard, in light of Banca Ifis's statement of financial position, 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 Bank 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 Financial Statements as at 31 December 2024 have been prepared on a going concern basis.

For more details on the analyses conducted with reference to international tensions, please refer to the specific section of the Banca Ifis's Interim Report on Operations entitled “Information on international tensions”.

Significant restrictions

There are no significant restrictions as per paragraph 13 of IFRS 12, i.e. statutory, contractual and regulatory restrictions on its ability to access or use the assets and settle the liabilities of the Bank, nor protective rights of non-controlling interests that can significantly restrict the Bank's ability to access or use the assets and settle the liabilities of the Bank.

Section 3 - Subsequent events

No significant events occurred in the period between the reporting date (31 December 2024) and the date of approval of the draft Financial Statements by the Board of Directors (6 March 2025), which could be classified as "adjusting events" within the meaning of IAS 10, i.e. events that lead to an adjustment of balance sheet and income statement information at the reporting date.

Section 4 – Other aspects

Highlights for 2024 financial statement assessments

On 24 October 2024, ESMA published an information notice ('European common enforcement priorities for 2024 annual financial reports') containing certain topics and recommendations with reference to:

- the preparation of financial reporting for FY 2024, in respect of:
  - liquidity considerations;
  - significant accounting policies, valuations and estimates;
- the preparation of sustainability reporting for FY 2024, in relation to:
  - materiality considerations in reporting according to ESRS;
  - scope and structure of sustainability reporting;
  - information on Article 8 of the Taxonomy Regulation;
- ESEF (European Single Electronic Format) reporting on common errors detected in the balance sheet;
- some general considerations, among which of particular importance is the connectivity between financial and sustainability reporting.

The following section provides an illustration of the aspects considered as priorities for the assessments conducted for the purpose of preparing the financial information contained in the 2024 Financial Statements and for the related disclosure, in line with the recommendations provided by ESMA, in its communication of 24 October 2024 entitled "European Common Enforcement Priorities for 2024 corporate reporting", and by Consob in its communication of 20 December 2024 entitled "Climate disclosure provided in financial statements".

Liquidity considerations

As regards the aspects connected with liquidity and related risks, the Banca Ifis Group is constantly striving to improve the state of its financial resources, in terms of both size and cost, so as to have available liquidity reserves adequate for current and future business volumes.

The objective of operational liquidity management is to ensure that it has the capacity to meet its cash payment commitments over the short-term time horizon. The essential condition for normal business continuity in banking is the maintenance of a sustainable imbalance between cash inflows and outflows in the short term. From a management point of view, at a Group level, the reference metric in this respect is the difference between the net cumulative cash flow and the Counterbalancing Capacity, i.e. the liquidity reserve to cope with short-term stress conditions, in addition to the regulatory measure of the Liquidity Coverage Ratio (LCR). From a very short-term perspective, the Group adopts the intraday liquidity analysis and monitoring system with the aim of ensuring the normal development of the Bank's treasury day and its ability to meet its intraday payment commitments.

The Group's structural liquidity management aims to ensure the financial balance of the structure by maturity over the time horizon of more than one year. Maintaining an adequate ratio of medium- to long-term liabilities to assets is aimed at avoiding pressure on short-term funding sources, both current and prospective. The reference metrics, at a Group level, refer to the regulatory indicator of the Net Stable Funding Ratio (NSFR) and, management-wise, to the gap ratios, which measure both the ratio of total funding and loans with maturities over 1 year and over 3 and 5 years.

At 31 December 2024, the Bank’s financial sources mainly consisted of equity, on-line funding (Rendimax product), consisting of on-demand and time deposits, medium/long-term bonds issued as part of the EMTN programme, medium/long-term securitisation transactions, as well as funding from corporate customers. Funding in the form of repurchase agreements, entered into with leading banks, continued to be a significant source of funding in 2024. Finally, as regards funding from the Eurosystem (TLTROs, LTROs and MROs), in the first half of 2024, a total of 1,2 billion Euro was repaid in advance at a nominal level, reducing the amount still outstanding (which amounted to a nominal 1,5 billion Euro as at 31 December 2023) to a residual nominal 0,3 billion Euro, which was then repaid in full at maturity in September 2024. In December 2024, the Bank also participated in a new MRO transaction for 400 million Euro maturing on 8 January 2025.

The Bank's activities in terms of liquidity consist of factoring operations, which focus mainly on trade receivables and receivables due from Italy's public administration maturing within the year, and medium/long-term receivables deriving mainly from Leasing, Corporate banking, Structured Finance and Workout, Restructuring & Recovery operations; security portfolio management, mainly comprising eligible and readily liquid Italian government securities are also important.

The amount of high-quality liquidity reserves (mainly consisting of the balance of the management account with the Bank of Italy and the free portion of eligible securities) makes it possible to meet regulatory requirements (with respect to the limits of LCR and NSFR) and internal requirements relating to prudent management of liquidity risk.

With specific reference to climatic and environmental risk factors, the materiality analysis conducted led to their quantification as non-material, due to the low impact of these factors in terms of available cash reserves and related cash outflows on the Bank and the Group's funding.

Significant accounting policies, valuations and estimates

With regard to the Bank's accounting policies in force at the date of this document, please refer to the information reported later in paragraph 'A.2 - Main Financial Statement Items' of this Part A of the Notes to these Individual Financial Statements.

Instead, with regard to significant judgements and estimates that are adopted for the purpose of preparing the Annual Financial Statements as at 31 December 2024, see what is reported in the immediately following sub-section entitled "Risks and uncertainties related to the use of estimates".

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 these Annual Financial Statements, 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 Bank will find itself operating. Future results may therefore differ from the estimates made, and adjustments to the carrying amount of assets and liabilities recognised in the financial statements, which cannot be foreseen or estimated at the date of this document, may be necessary. In this regard, it should be noted that adjustments in financial statement estimates may become necessary as a result of changes in the circumstances on which they were based, new information or increased experience.

The accounting policies considered most critical to the true and fair representation of the Bank's financial position, results of operations and cash flows are illustrated below, both for the materiality of the amounts to be recognised in the financial statements impacted by these policies, and for the high degree of judgement required in the valuations, which implies the use of estimates and assumptions by management, with reference to the specific sections of the Notes to the financial statements for detailed information on the valuation processes conducted at 31 December 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 the expected credit loss (ECL) for debt securities and receivables measured at amortised cost;
- estimate of provisions for risks and charges;
- assessment in respect of the potential recovery of deferred tax assets (DTAs).

For the items listed above, the principal issues regarding risks and uncertainties associated with estimates are discussed in the following paragraphs. Instead, for the cases relative to equity investments, reference should be made to the measurement criteria described in paragraph “5 - Equity investments” of section "A.2 - Main items of the financial statements” of these individual Notes.

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 section "A.2 - Main items of the financial statements" of these individual Notes.

Measurement of the expected credit loss (ECL) for debt securities and receivables measured at amortised cost

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

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

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

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

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

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

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

For 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 - Section 2. Prudential consolidation risks” of the Notes to the Consolidated Financial Statements within this document.

Estimate of provisions for risks and charges

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

Specifically, the Bank recognises a liability when:

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

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

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

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

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

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

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

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

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

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

For the remaining tax assets that cannot be transformed into tax credits, the judgement of their likelihood is supported by a valuation exercise of recoverability (referred to as the “probability test”) 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.

The comprehensive total of DTAs at 31 December 2024 is 152,3 million Euro, including the 81,0 million Euro portion attributable to Law 214/2011 (equal to 53,2% of the total DTA), which will be reversed by 2029 due to express regulatory provision. It is recalled that such deferred tax assets, which meet the requirements set forth by the specified Law, 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; their recovery is therefore certain regardless of the capacity to generate future income. The continued convertibility into tax credits is subject to the payment of a fee, which was introduced by Decree Law no. 59 of 3 May 2016, converted with amendments by Law No. 119 of 30 June 2016, which the Group decided to avail itself of by paying an annual fee until 2030.

On the basis of the valuation of the residual amount, note that the portion referring to prior tax losses and ACE surpluses, totalling 40,0 million Euro (or 26,3% of the total DTA) should be fully recovered from 2025 to 2032 (of which approximately 31 million Euro by 2029). The remaining 31,3 million Euro refers mainly to financial assets measured at fair value through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve.

Coming into effect of new accounting standards

Below are the new IAS/IFRS accounting standards or amendments to existing standards approved by the IASB, as well as new interpretations or amendments to existing ones published by the IFRIC, with separate disclosure of those applicable in FY 2024 from those that can be adopted in subsequent financial years but also reporting the changes made in 2024.

Standards approved and to be applied as mandatory for the preparation of the 2024 Annual Financial Statements

“Lease Liability in a Sale and Leaseback” (amendments to IFRS 16)

On 22 September 2022, the IASB issued these amendments in response to a recommendation of the IFRIC, with the aim of clarifying how a seller-lessee should perform the subsequent measurement of liabilities in sale and leaseback transactions that meet the requirements of IFRS 15 for the purpose of accounting as a sale. Sale and leaseback is a transaction whereby a lessee sells an asset and subsequently leases it for a period of time from the new owner. IFRS 16 already included the information for accounting for a sale and leaseback at the date the transaction occurs, but not its subsequent treatment.

In particular, the lessee must determine the liability of such a transaction in such a way that it does not recognise in profit or loss any amounts that relate to the RoU (which it has retained), except for any gain or loss related to the partial or total termination of the contract.

These amendments concern sale and leaseback transactions concluded after the date of first application. The adoption of this amendment had no impact on the Annual Financial Statements.

“Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and Non-current Liabilities with Covenants”

On 23 January 2020, the IASB issued an amendment to IAS 1 "Classifying liabilities as current or non-current" to clarify that the classification of liabilities between current and non-current depends on the rights existing at the end of the reporting period. Its application, initially scheduled for FY 2022, was first postponed to 1 January 2023, with the amendments approved by the IASB on 15 July 2020, and finally postponed to 1 January 2024, with the amendments issued on 31 October 2022 "Non-current liabilities with covenants". This latter amendment provides that only those covenants that an entity is required to meet on or before the reporting date are likely to affect the classification of a liability as current or non-current. It is also required to disclose information in the notes to the financial statements that enables users of the financial statements to understand the risk that non-current liabilities with covenants may become repayable within twelve months. The limited proposed amendments to IAS 1 are not relevant for the Group, considering that the scope of application refers to loans received with covenants; in addition, for the Bank, the presentation in the balance sheet is guided by the formats contained in Bank of Italy Circular No. 262/05, which do not provide for any evidence between current and non-current liabilities.

"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"

On 25 May 2023, the IASB published through this amendment certain disclosure requirements aimed at improving the transparency of financial arrangements with suppliers and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The lack of transparency on the content of these financing agreements is an obstacle to a proper analysis by a company's investors.

The purpose of the amendments is to supplement the requirements already laid down in the accounting standards by obliging companies to disclose the terms and conditions of agreements, the liabilities that are part of the agreements with separate indication of the amounts for which suppliers have already received payment, payment due dates, and information on liquidity risk. The adoption of this amendment had no impact on the Annual Financial Statements.

Standards issued and endorsed but whose application starts after 31 December 2024

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)

On 15 August 2023, the IASB issued an amendment to IAS 21 with the aim of specifying the situations in which one currency is convertible into another, how to determine the exchange rate to be applied when one currency is not exchangeable for another, and the disclosure to be provided in such cases. The amendments will be applicable on or after 1 January 2025. No impact on the annual financial statements is expected from the adoption of this amendment.

Standards issued but not yet approved

The following are the new international accounting standards or amendments to them, not yet endorsed by the European Commission, which are mandatory from a date that falls after the reference date of these Financial Statements. The Bank does not expect any significant impact deriving from the adoption of the following interpretations and amendments of existing international accounting standards to be material.

IFRS 18 "Presentation and Disclosure in Financial Statements"

On 9 April 2024, the IASB published the new accounting standard IFRS 18 "Presentation and Disclosure in Financial Statements", which replaces IAS 1 "Presentation of Financial Statements". The first application of the new standard is scheduled for 1 January 2027.

The new standard introduces three sets of new requirements to improve companies' financial reporting and provide investors with a better basis for analysis and comparison:

- better comparability in the income statement;
- greater transparency of performance measures defined by management;
- more useful grouping of information in the balance sheet.

The aforementioned changes, affecting the presentation of the profit and loss account and financial statement disclosure, will be implemented in the rules for compiling bank financial statements, governed by Bank of Italy Circular No. 262. Assessments are underway in order to verify, in addition to the impacts in terms of a different representation of the information, any impacts on the Bank's equity and financial position.

"Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7"

On 30 May 2024, the IASB issued an amendment to IFRS 9 (and, by extension, IFRS 7), whose first application is scheduled for 1 January 2026, resulting from the responses to the Post Implementation Reviews on certain areas of major concern or doubt triggered by the application of the standard.

In particular, the topics addressed are:

- the classification of financial instruments with contractual cash flow characteristics impacted by ESG clauses. On this topic, the IASB has provided some, non-exhaustive examples of financial instruments that determine whether or not the SPPI test is passed. In greater detail:
  - the presence of a clause providing for the recognition of additional interest in the event that the borrower achieves an ESG objective (e.g. a reduction in carbon emissions), the extent of which is contractually predetermined, falls within the realm of a "basic lending agreement" and thus allows the test to be passed;
  - the existence of a condition whereby the interest rate is adjusted according to a market variable (e.g. the carbon price index) does not compensate the lender for the risks and costs associated with lending the principal amount; therefore, it does not delineate a basic lending arrangement;
- extinguishing liabilities by means of electronic payment systems. The amendment provides that a liability may be settled in cash, using an electronic payment system, prior to the settlement date by way of derogation from what is currently provided for, if certain specific criteria are met.

Specific disclosure requirements have also been introduced for equity instruments for which the option to recognise changes in fair value in the statement of comprehensive income has been exercised, and for financial instruments with contingent features, e.g. features linked to ESG objectives.

"Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7"

On 18 December 2024, the IASB published amendments aimed at better representing the effects of nature-dependent power supply contracts, which are often structured as power purchase agreements (PPAs). The amount of electricity generated under these contracts may vary depending on factors that cannot be controlled, such as weather conditions. Current accounting requirements may not adequately capture the ways in which these contracts affect a company's performance. The amendments include: (i) clarifications on the application of 'own use' requirements; (ii) the possibility of using hedge accounting when such contracts are used as hedging instruments; and (iii) the addition of new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.
The amendments under review, which will be effective for financial statements from 1 January 2026, with the possibility of early application, are not expected to have a significant impact on the Bank's balance sheet, financial position and results of operations.

"Annual Improvements Volume 11"

On 18 July 2024, the IASB issued the customary "Annual Improvements to IFRS Accounting Standards - Volume 11". The document contains clarifications, simplifications, corrections and amendments to improve the effectiveness of the existing principles. Specifically, these refinements concern IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The changes will be effective for budgets from 1 January 2026, with the possibility of early application. Given the minor scope of these changes, no significant impact on the Bank's balance sheet, financial position and results of operations is expected.

Deadlines for the approval and publication of the Financial Statements

Pursuant to Article 154-ter of Italian Legislative Decree No. 59/98 (Consolidated Law on Finance), the Bank's Financial Statements must be approved and the Annual Financial Report published, including the draft Annual Financial Statements, the Directors' Report, and the declaration as per Article 154-bis, paragraph 5, within one hundred and twenty days of year end. The Board of Directors approved the Bank's Draft Financial Statements on 6 March 2025; the Annual Financial Statements will be submitted to the Shareholders' Meeting to be held on 17 April 2025 on first call for approval.

Independent auditors' fees

The Financial Statements as at 31 December 2024 are audited by the auditing firm PricewaterhouseCoopers S.p.A., in accordance with the assignment given to that firm. The audit report is made available in its entirety to the public together with the annual financial report, pursuant to Article 154-ter of Legislative Decree No. 58/98.

A.2 - Main items of the financial statements

1 - Financial assets measured at fair value through profit or loss ("FVTPL")

Classification criteria

This category comprises financial assets other than Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost. Specifically, this line item includes:

- financial assets held for trading, essentially consisting of debt and equity securities as well as the positive amount of derivative contracts held for trading;
- financial assets designated at fair value, i.e. non-derivative financial assets designated as such on initial recognition if the relevant conditions are met. At initial recognition, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, doing so would eliminate or significantly reduce a measurement or recognition inconsistency.
- financial assets mandatorily measured at fair value, consisting of financial assets that are not eligible for the measurement at amortised cost or fair value through other comprehensive income based on the relevant business model or cash flow characteristics. Specifically, this category includes:
  - debt instruments, securities and loans without cash flows that are solely payments of principal and interest consistent with a "basic lending arrangement" (so-called "SPPI test" failed);
  - debt instruments, securities and loans held within a business model that is neither “Held to collect” (whose objective is to hold the asset to collect contractual cash flows) nor “Held to collect and sell” (whose objective is achieved by both collecting contractual cash flows and selling financial assets);
  - UCITS units;
  - equity instruments for which the Bank elects not to use the option under the standard to measure them at fair value through other comprehensive income (so-called “OCI Option”).

Derivative contracts include those embedded in complex financial instruments if the host contract is not a financial asset falling within the scope of IFRS 9, which are recognised separately if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid instrument they are part of is not measured at fair value with the relevant changes recognised in profit or loss.

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In these cases, financial assets may be reclassified from the category measured at fair value through profit or loss to one of the other two categories under IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value corresponds to the fair value at the time of the reclassification, which is applied prospectively from the reclassification date. In this case, the effective interest rate of the reclassified financial asset is calculated based on its fair value at the reclassification date, which is considered to be the date of initial recognition for the stage allocation for impairment purposes.

Recognition criteria

Financial assets are initially recognised at the date of settlement in the case of debt and equity securities, at the date of disbursement for loans and at inception in the case of derivative contracts. At initial recognition, financial assets are measured at fair value, which is normally equal to the price paid excluding the expenses and income directly attributable to the instrument, which are recognised in profit or loss.

Measurement criteria

Even after initial recognition, financial assets are measured at fair value, and the impact of the application of this method is recognised through profit or loss.

The fair value of the financial instruments included in this portfolio is calculated based on quoted prices in active markets, prices provided by market participants, or internal valuation models generally used for pricing financial instruments that take into account all relevant risk factors and are based on observable market data.

In the case of financial assets not quoted in an active market, the cost method is used as an approximation of fair value exclusively on a residual basis and in limited circumstances, that is if all the other previously mentioned measurement methods are not applicable.

Interest is shown under item "10. Interest receivable and similar income".

Gains and losses from trading and valuation gains and losses from the trading portfolio, including derivatives associated with financial assets/liabilities designated at fair value, are recognised in the income statement under item "80. Net profit (loss) from trading". The same economic effects relating to financial assets designated at fair value and those mandatorily measured at fair value are recorded under item "110. Net result of other financial assets and liabilities measured at fair value through profit or loss", under "a) financial assets and liabilities measured at fair value" and "b) other financial assets mandatorily measured at fair value".

Derecognition criteria

Financial assets are derecognized only when the contractual rights to the cash flows expire or when the assets are disposed of if the disposal resulted in the substantial transfer of all risks and rewards associated with the assets. Should the company retain part of the relevant risks and rewards, the financial assets will continue to be recognised, even though legal ownership has been actually transferred to a third party.

Where it is not possible to ascertain the substantial transfer of the risks and rewards, financial assets are derecognised if the company no longer has control over them. Otherwise, the financial assets are recognised proportionally to the entity's continuing involvement in the asset, measured according to the exposure to changes in the transferred assets' value and cash flows.

Lastly, as for the transfer of collection rights, transferred financial assets are derecognised even if contractual rights to receive cash flows are maintained but an obligation to pay such flows to one or more entities is taken on.

2 - Financial assets measured at fair value through other comprehensive income ("FVOCI")

Classification criteria

This category comprises financial assets that meet both the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("HTC&S - Held to Collect and Sell" Business Model), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest consistent with a "basic lending arrangement", in which consideration for the time value of money and credit risk are typically the most significant elements of interest (so-called "SPPI test" passed).

In addition, this line item includes equity instruments not held for trading for which at initial recognition the entity used the option to measure them at fair value through other comprehensive income not to be reclassified to profit or loss (so-called "OCI Option").

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In these cases, financial assets may be reclassified from the category measured at fair value through other comprehensive income to one of the other two categories under IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through profit or loss). The transfer value corresponds to the fair value at the time of the reclassification, which is applied prospectively from the reclassification date. If the asset is reclassified from the category concerned to amortised cost, the fair value of the financial asset at the reclassification date is adjusted by the accumulated gain (loss) presented in the valuation reserve. If the asset is reclassified to fair value through profit or loss, the accumulated gain (loss) previously recognised within the valuation reserve is reclassified from equity to profit or loss.

Recognition criteria

Financial assets are initially recognised at the date of settlement in the case of debt and equity securities, whereas loans are recognised at the date they were granted. These assets are initially recognised at fair value, including transaction costs directly attributable to the instruments, if any.

Measurement criteria

After initial recognition, the assets measured at fair value through other comprehensive income that are not equity securities are measured at fair value, recognising the impact of the application of amortised cost, impairment, and any exchange rate changes through profit or loss. Gains and losses resulting from changes in fair value are recognised under a dedicated equity reserve until the financial asset is transferred: then, accrued profits and losses are reclassified to profit or loss.

The equity instruments the Group elected to classify within this category are measured at fair value, and the amounts recognised through equity (Statement of comprehensive income) are not to be subsequently reclassified to profit or loss - including in the event of their disposal. The relevant dividends represent the only component of the equity securities concerned that is recognised through profit or loss.

The fair value is calculated on the basis already described for financial assets measured at fair value through profit or loss.

In the case of financial assets measured at fair value through other comprehensive income that are either debt securities or receivables, at each reporting date, including interim reporting dates, the Bank assesses whether a significant increase in credit risk (impairment) has occurred pursuant to IFRS 9, recognising an impairment loss to cover the expected credit losses through profit or loss.

Conversely, equity securities are not tested for impairment.

Derecognition criteria

Derecognition of financial assets measured at fair value through comprehensive income occurs when contractual rights to cash flows expire or if the assets are sold but only if the sale has resulted in the substantial transfer of all risks and rewards associated with the assets. Should the company retain part of the relevant risks and rewards, the financial assets will continue to be recognised, even though legal ownership has been actually transferred to a third party.

Where it is not possible to ascertain the substantial transfer of the risks and rewards, financial assets are derecognised if the company no longer has control over them. Otherwise, the financial assets are recognised proportionally to the entity’s continuing involvement in the asset, measured according to the exposure to changes in the transferred assets’ value and cash flows.

Lastly, as for the transfer of collection rights, transferred financial assets are derecognised even if contractual rights to receive cash flows are maintained but an obligation to pay such flows to one or more entities is taken on.

3 - Financial assets measured at amortised cost

Classification criteria

This category includes financial assets (specifically loans and debt securities) that meet both the following conditions:

- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows ("HTC - Held to Collect" Business Model), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest consistent with a “basic lending arrangement”, in which consideration for the time value of money and credit risk are typically the most significant elements of interest (so-called “SPPI test” passed).

Specifically, if the above technical requirements are met, this line item includes:

- loans and advances to banks, with the exception of loans and advances on demand (which are classified under "Cash and cash equivalents");
- receivables due from customers, largely consisting of:
  - demand advances to customers as part of factoring operations vis-à-vis a receivables portfolio factored with recourse and still recognised in the seller’s statement of financial position, or vis-à-vis receivables factored without recourse, providing no contractual clauses that eliminate the conditions for their recognition exist;
  - loans to customers deriving from mortgages or loans extended as part of corporate banking operations;
  - repurchase and reverse repurchase agreements;
  - receivables arising from finance leases;
  - a portfolio of non-performing loans acquired from third-party operators (referred to as “POCI”);
- debt securities acquired through subscription or private placement, with fixed or determinable payments, not quoted in active markets.

Reclassifications to other categories of financial assets are allowed only if the entity changes its business model to manage the financial assets. In these cases, which are expected to be very infrequent, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories under IFRS 9 (financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss). The transfer value corresponds to the fair value at the time of the reclassification, which is applied prospectively from the reclassification date. Gains or losses arising from the difference between the amortised cost of the financial asset and the relevant fair value are measured through profit or loss if the asset is reclassified to financial assets measured at fair value through profit or loss or, if it is reclassified to Financial assets measured at fair value through other comprehensive income, through equity, within the specific valuation reserve.

Recognition criteria

These financial assets are initially recognised at the date of settlement in the case of debt and equity securities, whereas loans are recognised at the date they were granted. At initial recognition, the assets are measured at fair value, including transaction income or costs directly attributable to the asset. Costs meeting these characteristics, but to be reimbursed by the debtor or falling under normal internal administrative costs, are excluded.

Repurchase agreements or reverse repurchase agreements are recognised as funding or lending transactions. Specifically, repurchase agreements are recognised as payables for the amount received, while reverse repurchase agreements are recognised as receivables for the amount paid.

Measurement criteria

After initial recognition, receivables are measured at amortised cost, which is equal to the initial amount minus/plus principal repayments, impairment losses/reversals of impairment losses, and amortisation calculated using the effective interest method. The effective interest rate is calculated as the rate at which the present value of expected cash flows for the principal and interest is equal to the amount of the loan granted, including any costs/revenues directly attributable to the financial asset. This finance-based accounting method allows to spread the economic effect of costs/revenues over the expected residual life of the receivable.

Furthermore, the Bank uses a proprietary model for estimating the cash flows of the receivables purchased from the National Health Service (NHS), which includes the estimate of the default interest deemed recoverable, based on the Bank's historical evidence and differentiated according to the types of recovery actions undertaken (transactional or judicial).

The amortised cost method usually does not apply to short-term loans, as the effect would be immaterial. These are measured instead at their acquisition cost. A similar criterion applies to loans without a definite payment date or revocable loans.

At each reporting date, including interim reporting dates, the Group estimates the impairment of these assets in accordance with the impairment rules of IFRS 9.

The aforementioned assets are in fact examined with the aim of estimating the expected losses in value related to credit risk ("ECL" - "Expected Credit Losses"). These losses are recognised in the income statement under item "130. Net credit risk losses/reversals". If it is found that there is no reasonable expectation of recovery, the gross exposure is written off: in such a case, the gross exposure is reduced by the amount considered unrecoverable, offset by the reversal of the provision to cover expected losses and impairment losses in the income statement, for the portion not covered by the provision.

In more detail, the impairment model, as described in detail under "Other Information" in this Section A.2, provides for the classification of assets into three distinct "Stages" (Stage 1, Stage 2, Stage 3), depending on the evolution of the debtor's creditworthiness, to which correspond different criteria for measuring expected losses:

- Stage 1: unimpaired (performing) financial assets for which no significant deterioration in credit risk has been observed since initial recognition or for which the credit risk is considered low. Impairment is based on an estimate of expected loss with a time horizon of one year;
- Stage 2: unimpaired (performing) financial assets that have experienced a significant deterioration in credit risk since initial recognition (SICR - "Significant Increase in Credit Risk"). Impairment is based on an estimate of the expected loss over the entire remaining life of the financial asset;
- Stage 3: impaired financial assets for which there is objective evidence of impairment and which are assessed on the basis of an estimate of the expected loss over the life of the instrument.

For performing assets, expected losses are determined according to a collective process based on certain risk parameters represented by the probability of default (PD), the loss given default (LGD) and the exposure value (EAD).

For impaired assets, impairment losses are quantified on the basis of an analytical valuation process according to homogeneous risk categories - aimed at determining the present value of expected future recoverable cash flows, discounted on the basis of the original effective interest rate.

Impaired assets include exposures that have been attributed the status of non-performing, unlikely to pay or past-due/overdrawn for more than ninety days according to the definitions established by current supervisory regulations (Bank of Italy Circular No. 272 "Accounts Matrix") and recalled by Bank of Italy Circular No. 262, as they are considered consistent with the accounting rules set forth by IFRS 9 in terms of objective evidence of impairment.

The projected cash flows also take into account expected recovery times and the presumed net realisable value of any guarantees.

The original value of the financial assets is reinstated in subsequent years if the credit quality of the exposure improves compared to that which led to the previous write-down. The write-back is recorded in the income statement under the same heading ("130. Net credit risk losses/reversals") and, in any event, may not exceed the amortised cost that the asset would have had in the absence of previous adjustments.

Purchased or Originated Credit Impaired (POCI)

"Purchased or Originated Credit Impaired (POCI) Financial Assets" means the exposures that were impaired at the date they were acquired or originated.

POCI financial assets include also the exposures acquired as part of sales (of either individual assets or portfolios) and business combinations.

As previously mentioned, interest is accounted for by applying a credit-adjusted effective interest rate, i.e. the rate that, upon initial recognition, discounts all the asset's estimated future cash receipts at amortised cost considering also lifetime expected credit losses.

The Bank regularly reviews said expected credit losses, recognising impairment losses or gains through profit or loss. Favourable changes in lifetime ECLs are recognised as an impairment gain, even if said lifetime ECLs are lower than those incorporated into cash flow estimates at initial recognition.

"Purchased or Originated Credit Impaired Financial Assets" are usually allocated to Stage 3 at initial recognition.

A subsequent improvement in the counterparty's creditworthiness, which may be reflected in the present value of cash flows, shall cause the exposure to be classified within Stage 2.

These assets shall never be allocated to Stage 1, as the expected credit loss must always be calculated over a time horizon equal to their remaining useful life, whereas IFRS 9 requires an ECL estimated over a 12-month horizon for Stage 1 assets.

Derecognition criteria

Financial assets measured at amortised cost are derecognised when all contractual rights over the cash flows have expired or if they are assigned but only when all relevant risks and rewards have been substantially transferred. Should the company retain part of the relevant risks and rewards, the financial assets will continue to be recognised, even though legal ownership has been actually transferred to a third party.

Where it is not possible to ascertain the substantial transfer of the risks and rewards, financial assets are derecognised if the company no longer has control over them. Otherwise, the financial assets are recognised proportionally to the entity’s continuing involvement in the asset, measured according to the exposure to changes in the transferred assets’ value and cash flows.

Finally, as for the transfer of collection rights, transferred financial assets are derecognised even if contractual rights to receive cash flows are maintained but an obligation to pay such flows to one or more entities is taken on.

Specifically in respect of non-performing exposures, they shall be derecognised when considered unrecoverable and the Bank forfeits the legal right to collect. For instance, this occurs when insolvency proceedings are settled, the borrower dies without heirs, a court issues a final ruling that the debt does not exist, etc.

As for total or partial derecognitions without a forfeiture of the right to collect the receivable (write-off), to avoid continuing to recognise receivables that, even though they are still managed by debt collection structures, are highly unlikely to be recovered, the Bank identifies the exposures to be derecognised that have all of the following characteristics:

- the receivable has been written off;
- the receivable has been classified as a bad loan for more than 5 years;
- the counterparty has filed for bankruptcy, been put into administrative liquidation (LCA), or is subject to any insolvency proceedings.

Derecognitions are directly recorded under "Net credit risk losses/reversals" to the extent of the unadjusted remaining portion and are recognised as a reduction of the principal. Partial or complete reversals of previous impairment losses are recognised as a reduction of “Net credit risk losses/reversals”.

In some cases, throughout the life of the financial assets concerned, and specifically of receivables, the parties to the agreement subsequently agree to modify the original contractual terms. When, during the life of an instrument, the contractual terms are modified, the Group shall assess whether the original asset must continue to be recognised or, conversely, the original instrument must be derecognised and a new financial instrument recognised in its place.

Generally, modifications of a financial asset result in its derecognition and the recognition of a new asset when they are "substantial". The "substantiality" of the modification shall be assessed considering both qualitative and quantitative factors. In some cases, it will become apparent, without conducting complex analyses, that the changes introduced substantially modify the characteristics and/or contractual cash flows of a specific asset, whereas in other cases, additional analyses (including quantitative analyses) will be required to appreciate their impact and assess whether to derecognise the asset and recognise a new financial instrument.

The (quali-quantitative) analyses aimed at defining the "substantiality" of the contractual modifications made to a financial asset shall therefore consider:

- the purposes for which the modifications were made: for instance, renegotiations for business reasons or forbearance measures due to the counterparty's financial difficulties:
- the existence of specific objective factors affecting the substantial modifications of the characteristics and/or contractual cash flows of the financial instrument (including, but not limited to, the modification of the type of counterparty risk the entity is exposed to) that are believed to require derecognising the asset because of their impact (estimated to be significant) on the original contractual cash flows.

4 - Hedge accounting

Classification criteria

With reference to hedging, the Bank 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 Bank can be designated as hedging instruments.

The only type of hedge used by the Bank at 31 December 2024 is the specific fair value hedge ("micro" fair value hedge), which is intended to hedge the exposure to changes in the fair value of a balance sheet asset or liability attributable to a particular risk.

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 changes in the fair value of the hedged item are offset by the changes in the fair value of the hedging instrument. This offsetting is recognised through the recognition in the income statement of changes in value, referring both to the hedged item 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, therefore, depends on the extent to which changes in the fair value of the hedged instrument are offset by those of the hedging instrument. Such an assessment must take into account the intent pursued at the time the hedge was implemented.

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 Bank.

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.

5 - Equity investments

Classification criteria

This item includes interests held in direct subsidiaries and associates.

A 'subsidiary' is defined as the company over which control is exercised. This condition arises when one has the power to determine, directly or indirectly, the administrative and management choices of the enterprise so as to obtain the relevant benefits. This is the case when more than half of the voting rights are held, directly and/or indirectly, or in the presence of other conditions of *de facto* control, such as the appointment of a majority of directors.

Associated companies 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 (including “potential” 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.

Recognition criteria

The initial recognition of financial assets classified in this category takes place on the settlement date at cost, including any goodwill paid at the time of acquisition, which is therefore not subject to separate, independent recognition.

Measurement criteria

The initial carrying amount (purchase cost plus transaction costs) is not subject to subsequent measurement, except for the need to record impairment losses under IAS 36.

If there is objective evidence that the value of an investment may have been impaired, the recoverable amount of the investment is estimated, which is the higher of fair value less costs to sell and value in use. An impairment loss is recognised in the income statement (under the heading “Profit (loss) on equity investments” if the recovery amount is lower than the carrying amount. If the reasons for the impairment no longer exist as a result of an event that occurred after the recognition of the impairment loss, this is reversed through profit or loss up to the amount of impairment recorded previously, in the same item.

Dividends are recognised as income when the right to receive them arises, i.e. when their distribution is approved, regardless of whether they are generated before or after the acquisition date. The risk that the recognition of the dividend in the income statement may result in an overvaluation of the investment, if it relates to profits formed prior to the acquisition, is overcome by conducting an impairment test on the investment.

In the event of a loss of control, connection or joint control, as a result of a partial disposal of the investment, the residual interest held is recognised in the balance sheet at fair value and gains and losses with respect to the previous carrying amount are recognised in the income statement.

Derecognition criteria

Equity investments are derecognised when there is a sale that transfers substantially all the risks and rewards associated with them.

In the presence of a situation that results in the loss of significant influence or joint control, any remaining equity investment is reclassified to the financial asset portfolios required by IFRS 9.

6 - Property, plant and equipment

Classification criteria

The item includes property, plant and equipment held for investment purpose in accordance with IAS 40 as well as those for functional use in accordance with IAS 16.

All property (either fully owned or leased) held by the company for the purposes of obtaining rent and/or a capital gain fall under investment property.

More specifically, property, plant and equipment for functional use include:

- land;
- buildings;
- furniture and accessories;
- electronic office machines;
- various machines and equipment;
- vehicles;
- leasehold improvements on third-party property.

Those are physical assets held for use in production, in providing goods and services or for administrative purposes, and that are expected to be used for more than one fiscal year.

This item also includes the rights of use acquired through leases and relating to the use of property, plant and equipment.

Under IFRS 16, a lease is a contract, or part of a contract, that, in exchange for a fee, transfers the right to use an asset (the underlying asset) for a period of time.

Finally, the item includes leasehold improvements on third-party property and expenses relating to identifiable and separable asset. Normally, this kind of investment is sustained in order to make a property rented from third parties suitable for use.

Recognition criteria

Property, plant and equipment are initially recognised at cost, including all directly attributable costs connected to the acquisition or to bring the asset into use.

Subsequently incurred expenses are added to the carrying amount of the asset, or recognised as separate assets, if they are likely to yield future economic benefits exceeding those initially estimated and if the cost can be measured reliably; otherwise, they are recognised in profit or loss.

For tangible assets represented by rights of use in accordance with IFRS 16, the initial recognition value corresponds to the sum of the lease liability (present value of future lease payments to be paid over the lease term), lease payments made prior to or on the effective date of the lease, initial direct costs, and any costs for dismantling or restoring the asset underlying the lease.

Measurement criteria

Property, plant and equipment and investment property are measured at cost, net of any depreciation or impairment losses.

Property, plant and equipment with a finite useful life are systematically depreciated on a straight-line basis over their useful life, with the exception of that described below.

Property, plant and equipment with an indefinite useful life, whose residual value is equal to or higher than their carrying amount, are not depreciated.

For accounting purposes, land and buildings are treated separately, even when acquired together. Land is not depreciated, as it has an indefinite useful life. Where the value of land is included in the value of a building, the former is considered separately by applying the component approach. The separate values of the land and the building are calculated by independent experts in this field and only for entirely owned properties.

The useful life, residual amounts and depreciation methods of property, plant and equipment are reviewed at the closure of each financial year and, if expectations are not in line with previous estimates, the depreciation rate for the current year and subsequent ones is adjusted.

If there is objective evidence that an individual asset may be impaired, the asset's carrying amount is compared to its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, intended as the present value of future cash flows expected to arise from this asset. Any impairment loss is recognised in profit or loss.

When an impairment loss is reversed, the new carrying amount cannot exceed the net carrying amount that would have been measured if no impairment loss had been recognised on the asset in previous years.

The usually estimated useful lives are the following:

- buildings: not exceeding 34 years;
- furniture: not exceeding 7 years;
- electronic systems: not exceeding 5 years;
- other: not exceeding 5 years;
- improvements on third party property/leasehold improvements: not exceeding 5 years.

With reference to the asset consisting of the right of use, recorded pursuant to IFRS 16, it is measured using the cost model in accordance with IAS 16 Property, plant and equipment; in this case, the asset is subsequently depreciated on a straight-line basis over the term of the lease contract and subject to an impairment test if impairment indicators emerge.

Derecognition criteria

Property, plant and equipment are derecognised from the statement of financial position on disposal or when they are withdrawn from use and no future economic benefits are expected from their disposal. Any profit/loss that arises at the time the asset is derecognised (calculated as the difference between the net carrying amount of the asset and the amount received) is recognised in the Income Statement when the item is derecognised.

The right of use deriving from lease contracts is derecognised from the statement of financial position at the end of the lease.

7 - Intangible assets

Classification criteria

Intangible assets are non-monetary assets, identifiable even though they lack physical substance, that meet the requirements of identifiability, control over a resource and existence of future economic benefits. Intangible assets mainly include software.

Recognition criteria

Intangible assets initially are recognised in the statement of financial position at cost, i.e. the purchase price and any direct cost incurred in preparing the asset for use.

In particular, costs incurred internally for the development of software projects constitute intangible assets and are only capitalised if all of the following conditions are met:

- the cost attributable to the development activity can be reliably determined;
- there is the intention, the availability of financial resources and the technical capacity to make the asset ready for use or sale;
- it can be demonstrated that the asset is able to produce future economic benefits. Capitalised software development costs include only those expenses incurred that can be directly attributed to the development process.

Measurement criteria

Subsequent to initial recognition, intangible assets with a finite useful life are recognised at cost less amortisation determined on the basis of their estimated useful life.

If there is objective evidence that a single asset may be impaired, the asset's carrying amount is compared to its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, intended as the present value of future cash flows expected to arise from this asset. Any impairment loss is recognised in profit or loss.

Intangible assets with an indefinite useful life, including goodwill, are recorded at cost less any impairment losses incurred. These assets are not depreciated, but only periodically checked for impairment with respect to the carrying amount.

At each year-end or interim reporting date, if there is evidence of impairment, an estimate of the asset's recoverable amount is made. The amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

The amount of the impairment, if any, is determined on the basis of the difference between the carrying amount of goodwill and its recovery value, if lower. This recoverable amount is equal to the higher of the fair value of the cash-generating unit, net of any costs to sell, and its value in use. Value in use is the present value of the future cash flows expected from the generating units to which goodwill has been allocated. The resulting value adjustments are recorded in the income statement under item "240. Value adjustments of goodwill". No subsequent write-back is permitted.

Derecognition criteria

An intangible asset is derecognised from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

8 - Non-current assets and disposal groups

Non-current assets or groups of assets/liabilities for which a process of disposal has begun and their sale is considered highly probable are classified under the item of the assets "Non-current assets and disposal groups" and the item of the liabilities "Liabilities associated with assets held for sale". With the exception of certain types of assets (e.g. financial assets coming under the scope of application of IFRS 9), for which IFRS 5 specifically establishes that the measurement criteria of the relevant accounting standard must be applied, these assets/liabilities are otherwise measured at the lower of carrying amount and their fair value net of selling costs.

Income and expenses (net of the tax effect) attributable to asset disposal groups held for sale or recognized as such during the year, are presented in the income statement in a separate item.

9 - Current and deferred taxes

Classification criteria

The items include current and deferred tax assets and current and deferred tax liabilities related to income taxes, respectively.

Current and deferred taxes, calculated in compliance with national tax laws, are recognised in profit or loss with the exception of items directly credited or debited to equity.

Current tax liabilities are shown in the statement of financial position gross of the relevant tax advances paid.

Deferred tax assets and liabilities are recognised in the statement of financial position at pre-closing balances and without set-offs, and are included in the items “Tax assets” and “Tax liabilities”, respectively, except when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which deferred tax liabilities or assets are expected to be settled or recovered.

Under the existing tax consolidation arrangements between the Bank and La Scogliera S.A., the current corporate income tax (IRES) expense for the year is included in either other assets or other liabilities as receivables due from/payables due to the consolidating company, La Scogliera S.A., in accordance with tax legislation.

Recognition and measurement criteria

Deferred tax assets and liabilities are calculated based on temporary differences—without time limits—between the value attributed to the asset or liability according to statutory criteria and the corresponding tax base, applying the tax rates expected to be applicable for the year in which the tax asset will be realised, or the tax liability will be settled, according to theoretical tax laws in force at the realisation date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- when the timing of the reversal of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that they can be recovered, based on the ability of the Bank, as a result of the "tax consolidation" option, to continue to generate taxable profit, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

10 - Provisions for risks and charges

Classification criteria

Provisions for risks and charges in respect of commitments and guarantees granted

The sub-item of provisions for risks and charges under review includes 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.

The aggregate item therefore also includes the provisions for risks and charges set aside for other types of commitments and guarantees granted that, because of their specific characteristics, they do not fall within the scope of the impairment rules in IFRS 9.

Provisions for pensions and similar obligations

Pension funds are established in implementation of company agreements and qualify as defined benefit plans under IAS 19. The liability relating to these plans and the related current service cost are determined on the basis of actuarial assumptions by applying the “Projected Unit Credit Method”, which involves projecting future outflows on the basis of historical statistical analyses and the demographic curve, and discounting these flows on the basis of a market interest rate. The contributions paid in each reporting period are treated as separate units, which are recognised and valued individually for the purpose of determining the final obligation. The rate used for discounting is determined on the basis of the market yields recorded on the valuation dates of bonds of leading companies, taking into account the average residual life of the liability. The present value of the obligation at the balance sheet date is also adjusted for the fair value of any plan assets.

Actuarial gains and losses (i.e. changes in the present value of the obligation resulting from changes in actuarial assumptions and adjustments based on past experience) are recognised in the statement of comprehensive income.

Other provisions

Other reserves for risks and charges include provisions for legal or employment-related obligations or disputes, including tax disputes, arising from a past event for which it is probable that economic resources will be disbursed to fulfil the obligations, provided a reliable estimate of the amount can be made.

Criteria for measurement and recognition of income components

Provisions for risks and charges consist of liabilities of uncertain amount or maturity and are recognised in the balance sheet if:

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

The amount recognised as a provision represents the best estimate of the financial outlay required to settle the obligation at the reporting date and reflects the risks and uncertainties inherent in the facts and circumstances examined. Where the time element is significant, provisions are discounted using current market rates. The provision and the effect of discounting are recognised in the income statement under item "170. Net allocations to provisions for risks and charges”, as well as the increase in the provision due to the passage of time.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. When the use of resources, capable of producing economic benefits to meet the obligation, becomes improbable, the provision is reversed.

In addition, each fund is only used to meet those outgoings for which it was originally established.

If it is not considered probable that financial resources will be required to be disbursed to fulfil the obligation, no provision need be recognised in the financial statements; in such a case, adequate disclosure of the possible risk of loss is required in the Notes to the financial statements, unless the likelihood of using resources is considered remote or the phenomenon is not material.

11 - Financial liabilities measured at amortised cost

Classification criteria

The item includes payables due to banks and customers and debt securities issued and is made up of the various forms of interbank funding, as well as funding from customers and through outstanding bonds, net of any buybacks.

Also included are debts entered into by the lessee under finance leases, as well as repurchase and reverse repurchase agreements for deposits and securities lent with receipt of cash collateral at the lender's full disposal. Finally, operating debts related to the provision of financial services as defined in the Consolidated Banking Act and the Consolidated Finance Act are included.

Recognition criteria

The initial recognition of these liabilities occurs upon receipt of the amounts collected or settlement of the debt securities issued and is made on the basis of the relative fair value, which is normally equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issuance transaction and not reimbursed by the creditor counterparty.

Repurchase agreements with a repurchase obligation are recorded in the balance sheet as funding transactions for the amount collected in the spot market.

Lease payables are recognised on the basis of the present value of future instalments still to be paid over the contractual term discounted at the interest rate implicit in the transaction or, if not determinable, the marginal financing rate.

Measurement criteria

After initial recognition at fair value, these instruments are later measured at amortised cost, using the effective interest method.

The amortised cost method does not apply to short-term liabilities, as the effect of discounting would be not significant.

Lease payables are revalued when there is a lease modification (a change in the perimeter of the contract), which is not accounted for/considered as a separate contract.

Derecognition criteria

Financial liabilities are derecognised when they are annulled, expired, extinguished or settled. The difference between the carrying amount and the acquisition cost is recognised in profit or loss.

Liabilities are derecognised also when previously issued securities are bought back, even if such instruments will be sold again in the future. Gains and losses from such derecognition are recognised in profit or loss when the buyback price is higher or lower than the carrying amount.

Subsequent sales of the company's own bonds on the market are considered as an issuance of new debt.

12 - Financial liabilities held for trading

Classification criteria

This item includes:

- financial liabilities issued with the intention of repurchasing them in the short term;
- liabilities that are part of a portfolio of financial instruments that are jointly managed and for which there is a proven strategy to achieve profits in the short term;
- derivative contracts with a negative fair value and not designated as hedging instruments, including those linked to assets/liabilities designated at fair value through profit or loss.

Recognition criteria

Financial liabilities held for trading are initially recognised at the date of settlement in the case of liabilities for cash, and at inception in the case of derivative contracts.

Initial recognition is made on the basis of the fair value of the liability, normally equal to the amount collected, without considering transaction costs or income directly attributable to the instrument itself, which are charged directly to the income statement.

Measurement criteria

Even after initial recognition, financial liabilities held for trading are measured at fair value at the period closure, and the impact of the application of this method is measured through profit or loss. The fair value is calculated based on the same criteria as those used for financial assets held for trading.

Derecognition criteria

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liabilities are transferred with the transfer of substantially all risks and rewards of ownership.

13 - Financial liabilities designated at fair value

It should be noted that the Bank does not engage in such operations.

14 - Foreign currency transactions

Initial recognition

At initial recognition, foreign currency transactions are recognised in the money of account, applying the exchange rate at the date of the transaction.

Subsequent recognitions

At each reporting date, foreign currency monetary assets and liabilities are translated using the closing exchange rate.

Non-monetary assets and liabilities recognised at historical cost are translated at the historical exchange rate, while those measured at fair value are translated using the period-end rate. Any exchange differences arising from the settlement of monetary elements or their translation at exchange rates different from those used at initial recognition or in previous financial statements are recognised in profit or loss in the period in which they arise, excluding those relating to financial assets measured at fair value through other comprehensive income, as they are recognised in equity.

15 - Insurance assets and liabilities

It should be noted that the Bank does not engage in such operations.

16 - Other information

Cash and cash equivalents

This item comprises legal tender, including foreign banknotes and divisional currencies, current accounts and "sight" deposits with central banks, with the exception of compulsory reserves, as well as "sight" claims on banks. The latter definition includes availability that can be withdrawn at any time without notice or with 24 hours or one working day's notice.

The item is recorded at face value. For foreign currencies, the face value is converted into Euro at the closing exchange rate at the end of the financial year.

Other assets

This item includes assets that cannot be allocated to other balance sheet asset items. The item may include but is not limited to:

- gold, silver and precious metals;
- accrued income other than that to be capitalised on the relevant financial assets, including that arising from contracts with customers in accordance with IFRS 15;
- receivables related to the provision of non-financial goods or services;
- tax credits related to the "Cura Italia" and "Relaunch" Decree-Laws;
- tax debit items other than those recorded under item "100. Tax assets".

Any remaining balances (of "debit balance") of travelling and suspended items not allocated to the relevant accounts may also be included, provided they are of a not significant amount overall.

Other liabilities

This item includes liabilities that cannot be allocated to the other liability items in the balance sheet.

This item includes but is not limited to:

- payment agreements that IFRS 2 requires to be classified as payables;
- debts connected with the payment of non-financial goods and services;
- accrued expenses other than those to be capitalised on the relevant financial liabilities, including those arising from contracts with customers in accordance with IFRS 15;
- miscellaneous tax credit items other than those recorded under item "60. Tax liabilities" related, for example, to the activity of a tax substitute.

Post-employment benefits and other employee benefits

According to IAS 19, employee benefits include all types of remuneration provided in exchange for the work performed by employees or by virtue of the termination of the employment relationship, which can be broken down into:

- short-term benefits (other than termination benefits) that are expected to be settled within 12 months after the end of the financial year in which the employees were employed;
- post-employment benefits such as the severance indemnity;
- termination benefits due to employees following the company's decision to terminate employment before the retirement date;
- long-term benefits (other than termination benefits) that are expected to be settled over a period of more than 12 months after the end of the financial year in which the employees were employed.

Pursuant to IAS 19 "Employee benefits" and up to 31 December 2006, the so-called "TFR" (severance indemnity), post-employment benefit for employees of the Bank, was classified as a "defined benefit plan". It therefore had to recognise this benefit by discounting it using the projected unit credit method.

Following the coming into force of the 2007 Budget Law, which brought the reform regarding supplementary pension plans - as per Italian Legislative Decree No. 252 of 5 December 2005 - forward to 1 January 2007, the employee was given a choice as to whether to allocate the post-employment benefits earned as from 1 January 2007 to supplementary pension funds or to maintain them in the company, which would then transfer it to a dedicated fund managed by INPS (the Italian National Social Security Institute).

This reform has led to changes in the accounting of post-employment benefits (severance indemnity) as for both the benefits earned up to 31 December 2006 and those earned from 1 January 2007.

In particular:

- post-employment benefits earned as from 1 January 2007 constitute a “defined-contribution plan”, regardless of whether the employee has chosen to allocate them to a supplementary pension fund or to INPS's Treasury Fund. Those benefits shall be calculated according to contributions due without applying actuarial methods;
- post-employment benefits earned up to 31 December 2006 continue to be considered as a “defined-benefit plan”, and as such are calculated on an actuarial basis which, however, unlike the calculation method applied until 31 December 2006, no longer requires that the benefits be proportionally attributed to the period of service rendered. This is because the employee’s service is considered entirely accrued due to the change in the accounting nature of benefits earned as from 1 January 2007.

Actuarial gains/losses shall be included immediately in the calculation of the net obligations to employees through equity, to be reported in other comprehensive income.

Share-based payments

They are payments granted to employees or similar parties as remuneration for the services received that are settled in equity instruments.

The relevant international accounting standard is IFRS 2 – Share-based payments; specifically, since the Bank is to settle the obligation for the service received in equity instruments (shares “to the value of”, i.e. a given amount is converted into a variable number of shares based on the fair value at grant date), those payments fall under “equity-settled share-based payments”. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The cost or revenue in the income statement represents the movement in cumulative expense recognised at the beginning and end of that year.

Treasury shares

Pursuant to regulations in force in Italy, buying back treasury shares requires a specific resolution of the shareholders' meeting and the recognition of a specific reserve in equity. Treasury shares in the portfolio are deducted from equity and measured at cost, calculated using the “Fifo” method. Differences between the purchase price and the selling price deriving from trading in these shares during the reference year are recognised under equity reserves.

Recognition of income and costs

Revenues

Revenues are gross streams of economic benefits flowing to the entity as consideration for the obligation to transfer to the customer a wide range of goods and services in the ordinary course of business.

Under IFRS 15, an entity must recognise revenue based on the consideration expected to be received for goods and services provided in the ordinary course of business. In detail, the recognition of revenue must take place on the basis of the following five steps:

- identification of a contract, defined as an agreement of commercial substance between two or more parties capable of generating rights and obligations;
- identification of the individual obligations ("performance obligations") contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of goods or services to the customer;
- allocation of the transaction price to each performance obligation, based on the stand-alone selling price of the individual obligation;
- recognition of the revenue allocated to the individual obligation when it is settled, i.e. when the customer obtains control of the goods and services. This recognition takes into account the fact that certain services may be rendered at a specific time or over a period of time.

Revenue arising from contractual obligations with customers is recognised in profit or loss when it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services transferred to the customer. This consideration must be allocated to the individual obligations under the contract and must be recognised as income in the income statement according to the timing of performance of the obligation. In detail, revenues may be recognised in the income statement:

- at a point in time, when the entity performs the obligation to do by transferring the promised good or service to the customer, or
- over time, as the entity performs the obligation to do by transferring the promised good or service to the customer.

The obligation to perform is considered to have been performed when the customer acquires control of the transferred good or service.

The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both. In detail, the contract price may vary as a result of reductions, discounts, rebates, incentives, performance bonuses or other similar elements. The variability of the consideration may also depend on the occurrence or non-occurrence of a future event. In the case of variable consideration, revenue is recognised in the income statement if it can be reliably estimated and only if it is highly probable that all or a significant portion of the consideration will not subsequently be reversed from the income statement.

When an entity receives consideration from a customer that it expects to refund to the customer, in whole or in part, against the revenue recognised in the income statement, it is necessary to recognise a liability, to be estimated based on expected future refunds (termed a “refund liability”). The estimate of this liability is updated at each balance sheet or interim reporting date and is based on the portion of the consideration that the entity expects not to be entitled to.

Costs

Costs related to obtaining and fulfilling contracts with customers are recognised in the income statement in the periods in which the corresponding revenues are recognised; costs that do not have a direct association with revenues are immediately recognised in the income statement.

Dividends

Dividends are recognised through profit or loss in the year in which the resolution concerning their distribution is passed.

Offsetting of financial instruments

- has a legal right to effect such set-off, which is currently exercisable in all circumstances, whether in the ordinary course of business or in default, insolvency or bankruptcy of the parties;

- intends to settle transactions on a net settlement basis or on a gross settlement basis whose substantive effects are equivalent to a net settlement.

A.3 - Disclosure of transfers of financial assets between portfolios

No financial assets were transferred between portfolios during 2024.

A.4 - Fair value disclosure

Qualitative disclosure

Fair value is the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date, under current market conditions (i.e. the exit price), regardless of the fact that said price is directly observable or that another measurement approach is used.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

IFRS 13 establishes a fair value hierarchy based on the extent to which inputs to valuation techniques used to measure the underlying assets/liabilities are observable. Specifically, the hierarchy consists of three Levels.

- Level 1: the instrument's fair value is measured based on (unadjusted) quoted prices in active markets.
- Level 2: the instrument's fair value is measured based on valuation models using inputs observable in active markets, such as:
  - quoted prices for similar assets or liabilities;
  - quoted prices for identical or similar assets or liabilities in non-active markets;
  - observable inputs such as interest rates or yield curves, implied volatility, default rates and illiquidity factors;
  - inputs that are not observable but supported and confirmed by market data.
- Level 3: the instrument's fair value is measured based on valuation models using mainly inputs that are unobservable in active markets.

Each financial asset or liability of the Bank is categorised in one of the above Levels, and the relevant measurements may be recurring or non-recurring (see IFRS 13, paragraph 93, letter a).

In the event that different inputs are used to measure the fair value of an asset or liability, classification in the hierarchy is determined according to the lowest-level input used for the valuation.

The choice among the valuation techniques is not optional, since these shall be applied in a hierarchical order: indeed, the fair value hierarchy gives the highest priority to (unadjusted) quoted prices available in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Valuation techniques used to measure fair value are applied consistently on an on-going basis.

A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used

In the absence of quoted prices in an active market, the fair value measurement of a financial instrument is performed using valuation techniques maximising the use of inputs observable on the market.

The use of a valuation technique is intended to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. In this case, the fair value measurement may be categorised in Level 2 or Level 3, according to what extent inputs to the pricing model are observable.

In the absence of observable prices in an active market for the financial asset or liability to be measured, the fair value of the financial instruments is measured using the so-called comparable approach (Level 2), requiring valuation models based on market inputs.

In this case, the valuation is not based on the quoted prices of the financial instrument being measured (identical asset), but on prices, credit spreads or other factors derived from the official quoted prices of instruments that are substantially similar in terms of risk factors and duration/return, using a given calculation method (pricing model).

In the absence of quoted prices in an active market for a similar instrument, or should the characteristics of the instrument to be measured not allow to apply models using inputs observable in active markets, it is necessary to use valuation models assuming the use of inputs that are not directly observable in the market and, therefore, requiring to make estimates and assumptions (non observable input - Level 3). In such cases, the financial instrument is measured using a given calculation method that is based on specific assumptions regarding:

- the trend in future cash flows, possibly contingent on future events whose probability of occurring can be derived from historical experience or based on behavioural assumptions;
- the Level of specific inputs not quoted on active markets: for the purposes of estimating them, information acquired from prices and spreads observed on the market shall have a higher priority. If these are not available, entities shall use historical data about the specific underlying risk factor or specialist research on the matter (e.g. reports by ratings agencies or primary market players).

In the cases described above, consideration is always given to the value of potentially making valuation adjustments taking into account the risk premiums that operators typically consider in pricing instruments. If not explicitly considered in the valuation model, valuation adjustments may include:

- model adjustment: adjustments that take into account any deficiencies in the valuation models highlighted during calibration;
- liquidity adjustment: adjustments that take into account the bid-ask spread if the model calculates a mid-price;
- credit risk adjustment: adjustments related to the counterparty or own credit risk;
- other risk adjustment: adjustments related to a risk premium "priced" in the market (e.g. relating to the complexity of valuation of an instrument).

With regard to fair value measurement, the Bank adopts various methodologies, depending on the specific characteristics of the products being valued.

To measure receivables that must be measured at fair value, the method used is the Discounted Cash Flow (DCF) Model to receivables mandatorily measured at fair value, discounting the expected cash flows from each loan at a market rate determined by taking into account the risk free rate (r_f) for similar maturities, the Cost of Funding (COF), the counterparty's credit risk, and the capital absorption cost.

For the measurement of unlisted equities, mainly income and financial models are used, in particular the method defined as "Market Multiples of Comparable Companies" to which a control method such as the "Discounted Cash Flow Model" or the "Comparable Transactions Method" is compared. The latter method is applied to transactions that have similar economic and asset characteristics to the one being valued and adjusted for the economic and asset magnitudes of the asset being valued.

With specific reference to the valuation of UCITS units, the approach used takes Net Asset Value (NAV) as the starting point for determining fair value. Thereafter, it must be verified whether, in determining the NAV, the fund's assets have been measured at fair value in accordance with the applicable international standards. A discount is applied to the NAV determined in this way using a structured rate as described below:

- liquidity adjustment: the liquidity discount must take into account the inability to mobilise the economic commitment in the short term. This discount, which refers to a time horizon expressing the average duration of the investments in the fund, is applied to the NAV defined above inversely proportional to changes in the NAV itself. Once the investment phase is over, the discount applied will decrease proportionally from year to year until it settles at the base discount applied for the first year;
- credit risk adjustment: the credit risk discount must take into account the probability of default of the underlying asset in which the fund invests;

- other risk adjustment: this category includes the discount of any other significant element known to the manager of the instrument at the time of measurement.

As for over-the-counter (OTC) derivatives not quoted in active markets, their fair value is calculated based on measurement techniques that take into account all risk factors that could affect the value of the financial instrument concerned, using observable market inputs (interest rates, exchange rates, share indices, etc.) adjusted as appropriate to account for the creditworthiness of the specific counterparty, including the counterparty's credit risk (CVA, Credit Value Adjustment) and/or the Group's own credit risk (DVA, Debt Value Adjustment).

The change in interest rates, which occurred during the year, had an impact on the fair value of derivatives. However, with reference to the measurement of counterparty risk (Credit Valuation Adjustment and Debit Valuation Adjustment), as of 31 December 2024, the impact on the balance sheet values of derivatives with mark-to-market, both positive and negative, is substantially nil as almost all derivative financial instruments are securitised through Credit Support Agreements (CSA). The balance at 31 December 2024 of derivatives, for which there is no counterparty risk mitigation (CSA) element, should not be considered significant and amounts to 127 thousand Euro.

As for the measurement of financial assets and liabilities measured at fair value on a non-recurring basis, the relevant portfolio consists of on-balance-sheet exposures classified as performing with a residual life exceeding one year (medium-long term). Fair value is therefore by convention taken as equal to the carrying amount for all exposures classified as impaired, the ones with a residual life less than one year are excluded from the measurement, as, for these, the Bank believes that their carrying amount can be used as an approximation of fair value.

For non-performing loans (bad loans, unlikely to pay, past due), the fair value is conventionally assumed to be equal to the net carrying amount and is shown in Level 3. In this regard, it should be noted that, in the recent past, significant transactions of assignments of non-performing loans have been observed on the Italian market, with prices that have discounted the specific characteristics of the portfolios sold and the different yields demanded by the buyers. The fair value determined on the basis of the aforementioned transactions would therefore be characterised by a high dispersion of values, such that the identification of a reference value would not be objective.

For the purposes of measuring performing loans at fair value, given the absence of prices directly observable on active and liquid markets, entities shall use valuation techniques based on a theoretical model meeting the requirements of IAS/IFRS standards (Level 3). The approach used to determine the fair value of performing loans is the aforementioned DCF Model applied to loans with a residual maturity of more than one year, while the nominal amount is considered for other loans with short or no maturity. Future cash flows consist of the sum of principal and interest and are discounted using a rate formed by the credit spread (coverage curve) and the 3-month Euribor rate.

For financial liabilities at amortised cost, the fair value calculated for disclosure purposes is determined by applying the following methodologies:

- for medium- and long-term liabilities, the measurement is performed by discounting future cash flows using an interest rate that incorporates its own credit risk component;
- for on-demand liabilities with short-term or indefinite maturity, the carrying amount is a good approximation of fair value.

A.4.2 Measurement processes and sensitivity

In compliance with IFRS 13, save for what is specified below, for financial assets and liabilities measured at fair value categorised within Level 3, the Bank tests their sensitivity to changes in one or more unobservable inputs used in the fair value measurements like, by way of example and in no means exhaustive, discount rates applied to cash flows or expected cash flows themselves.

With regard to debt security exposures measured at Level 3 fair value, amounting to 68,1 million Euro at 31 December 2024, the effects of potential changes in the parameters used are deemed not significant.

For equity securities (equal to 141,5 million Euro) and units of UCITSs (equal to 86,6 million Euro), it is generally not possible to perform any quantitative sensitivity analysis of fair value to changes in unobservable inputs, as either the fair value is derived from third-party sources, or it is the result of a model whose inputs are specific to the entity being valued (e.g. company assets) and for which the information necessary for a sensitivity analysis is not available.

A.4.3 Fair value hierarchy

Concerning recurring fair value measurements of financial assets and liabilities, Banca Ifis transfers them between Levels of the hierarchy based on the following guidelines:

- for debt securities and financing:
  - the transfer from Level 3 to Level 2 takes place when the inputs to the valuation technique used are observable at the measurement date;
  - the transfer from Level 3 to Level 1 is allowed when it is confirmed that there is an active market for the instrument at the measurement date;
  - finally, they are transferred from Level 2 to Level 3 when some inputs relevant in measuring fair value are not directly observable at the measurement date.
- for equity instruments, the Level transfer takes place when:
  - observable inputs became available during the period (e.g. prices for identical assets and liabilities defined in comparable transactions between independent and knowledgeable parties). In this case, they are reclassified from Level 3 to Level 2;
  - inputs directly or indirectly observable used in measuring them are no longer available or current (e.g. no recent comparable transactions or no longer applicable multiples). In this case, the entity shall use valuation techniques incorporating unobservable inputs.

A.4.4 Other information

There is no further information to report than that presented in the preceding paragraphs.

Quantitative information

A.4.5 Fair value hierarchy

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

Financial assets/liabilities measured at fair value (in thousands of Euro)	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	5.785	3.489	224.646	5.144	583	210.322
a) financial assets held for trading	-	3.489	-	-	583	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	5.785	-	224.646	5.144	-	210.322
2. Financial assets measured at fair value through other comprehensive income	623.521	5.574	72.730	673.789	5.373	70.009
3. Hedging derivatives	-	7.404	-	-	-	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**629.306**	**16.467**	**297.376**	**678.933**	**5.956**	**280.331**
1. Financial liabilities held for trading	-	13.765	-	-	14.005	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	14.868	-	-	11.644	-
Total	**-**	**28.633**	**-**	**-**	**25.649**	**-**

Key:
L1 = Level 1: fair value of a financial instrument quoted in an active market;
L2 = Level 2 fair value measured using valuation techniques based on observable market inputs other than the financial instrument's price;
L3 = Level 3 fair value calculated using valuation techniques based on inputs not observable in the market.

At 31 December 2024, the impact of applying the Credit Valuation Adjustment to the book values of the derivatives with a positive mark-to-market amounts to 0,2 million Euro (related to derivatives held for trading); as for the instruments with a negative mark-to-market, there was no impact resulting from the application of the Debit Valuation Adjustment to the equity amounts of the derivatives.

Financial assets measured at fair value through other comprehensive income mainly consist of listed securities (Level 1). With regard to securities in Level 3, the amount includes shares in the Bank of Italy with a carrying amount of 50,0 million Euro.

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

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	**210.322**	**-**	**-**	**210.322**	**70.009**	**-**	**-**	**-**
2. Increases	**73.094**	**-**	**-**	**73.094**	**5.577**	**-**	**-**	**-**
2.1. Purchases	42.693	-	-	42.693	3.552	-	-	-
2.2. Profit taken to:	30.152	-	-	30.152	2.025	-	-	-
2.2.1. Income Statement	30.152	-	-	30.152	-	-	-	-
- of which capital gains	*23.399*	-	-	*23.399*	-	-	-	-
2.2.2. Equity	-	-	-	-	2.025	-	-	-
2.3. Transferred from other Levels	-	-	-	-	-	-	-	-
2.4. Other increases	249	-	-	249	-	-	-	-
3. Decreases	**58.770**	**-**	**-**	**58.770**	**2.856**	**-**	**-**	**-**
3.1. Sales	19.495	-	-	19.495	1.205	-	-	-
3.2. Reimbursements	31.198	-	-	31.198	-	-	-	-
3.3. Losses taken to:	6.747	-	-	6.747	1.651	-	-	-
3.3.1. Income Statement	6.747	-	-	6.747	-	-	-	-
- of which capital losses	*5.457*	-	-	*5.457*	-	-	-	-
3.3.2. Equity	-	-	-	-	1.651	-	-	-
3.4. Transferred to other Levels	-	-	-	-	-	-	-	-
3.5. Other decreases	1.330	-	-	1.330	-	-	-	-
4. Closing balance	**224.646**	**-**	**-**	**224.646**	**72.730**	**-**	**-**	**-**

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

Banca Ifis does not hold liabilities measured at fair value on a recurring basis at Level 3.

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis (in thousands of Euro)	31.12.2024				31.12.2023			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	10.081.195	2.240.199	2.082	7.854.103	9.836.783	2.340.968	-	7.476.013
2. Property, plant and equipment held for investment purpose	210	-	-	210	407	-	-	407
3. Non-current assets and disposal groups	-	-	-	-	-	-	-	-
Total	**10.081.405**	**2.240.199**	**2.082**	**7.854.313**	**9.837.190**	**2.340.968**	**-**	**7.476.420**
1. Financial liabilities measured at amortised cost	11.034.158	1.455.245	112.439	9.355.969	11.117.517	1.329.813	104.630	9.497.304
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**11.034.158**	**1.455.245**	**112.439**	**9.355.969**	**11.117.517**	**1.329.813**	**104.630**	**9.497.304**

Key
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Among financial assets measured at amortised cost, the amount reported under Level 1 refers to government and other listed debt securities, while the balance reported under Level 3 consists mainly of credit exposures.

Level 1 amortised cost financial liabilities relate to bonds issued by the Bank.

A.5 - Disclosure on day one profit/loss

With reference to the provisions of IFRS 7 par. 28, a financial instrument must initially be recognised at a value equal to its fair value which, unless there is evidence to the contrary, is equal to the price paid/collected in trading. The above standard governs such cases by establishing that an entity may recognise a financial instrument at a fair value other than the consideration given or received only if the fair value is evidenced:

- by comparison with other observable current market transactions in the same instrument;
- through valuation techniques using exclusively, as variables, data from observable markets.

In other words, the assumption under IFRS 9, whereby fair value is equal to the consideration given or received, may be overcome only if there is objective evidence that the consideration given or received is not representative of the actual market value of the financial instrument being traded.

Such evidence must be derived only from objective and non-refutable parameters, thus eliminating any hypothesis of discretion on the part of the evaluator.

The difference between the fair value and the negotiated price, only when the above conditions are met, is representative of the day one profit and is immediately recognised in the income statement.

No such transactions were carried out as part of the Bank's operations during 2024.

Part B - Information on the Statement of Financial Position

ASSETS

Section 1 - Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: breakdown

Items/Amounts	31.12.2024	31.12.2023
a) Cash	14	26
b) Current accounts and on demand deposits at Central banks	220.000	515.114
c) Current accounts and on demand deposits at banks	114.176	83.876
Total	**334.190**	**599.016**

At 31 December 2024 this item amounts to 334 million Euro, and includes, in compliance with the requirements for balance sheet items set out in the 7th October 2021 update of Bank of Italy Circular No. 262/2005, on demand receivables due from banks. The 264,8 million Euro decrease in the item was mainly attributable to the change in overnight deposits with the Bank of Italy in connection with the dynamics associated with the reshaping of underlying funding and lending.

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

2.1 Financial assets held for trading: breakdown by type

Items/Amounts	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt securities	-	-	-	-	-	-
1.1 Structured	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Reverse repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives						
1. Financial derivatives	-	3.489	-	-	583	-
1.1 for trading	-	3.489	-	-	583	-
1.2 connected to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 for trading	-	-	-	-	-	-
2.2 connected to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	**-**	**3.489**	**-**	**-**	**583**	**-**
Total (A+B)	**-**	**3.489**	**-**	**-**	**583**	**-**

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

Financial assets held for trading consist entirely of derivative transactions. This item amounts to 3,5 million Euro as at 31 December 2024, an increase of 2,9 million Euro compared to the previous year's figure, growth mostly concentrated in derivatives with a banking counterparty.

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

Items/Amounts	31.12.2024	31.12.2023
A. Cash assets		
1. Debt securities	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity securities	**-**	**-**
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non-financial companies	-	-
d) Other issuers	-	-
3. UCITS units	-	-
4. Loans	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total (A)	**-**	**-**
B. Derivatives	**-**	
a) Central Counterparties	-	-
b) Other	3.489	583
Total (B)	**3.489**	**583**
Total (A+B)	**3.489**	**583**

2.3 Financial assets designated at fair value: breakdown by type

The case does not exist.

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

The case does not exist.

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

Items/Amounts	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**68.082**	**-**	**-**	**85.860**
1.1. Structured	-	-	-	-	-	-
1.2. Other debt securities	-	-	68.082	-	-	85.860
2. Equity securities	**-**	**-**	**68.725**	**-**	**-**	**51.051**
3. UCITS units	**5.785**	**-**	**86.632**	**5.144**	**-**	**66.309**
4. Loans	**-**	**-**	**1.207**	**-**	**-**	**7.102**
4.1 Reverse repurchase agreements	-	-	-	-	-	-
4.2. Others	-	-	1.207	-	-	7.102
Total	**5.785**	**-**	**224.646**	**5.144**	**-**	**210.322**

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

Financial assets mandatorily measured at fair value through profit or loss come to 230,4 million Euro. This item consists of loans and debt securities that did not pass the SPPI test, equity securities from minority shares and UCITS units.

Debt securities classified as Level 3 are instead represented by junior, mezzanine and single-tranche securities related to securitisation transactions totalling 68,1 million Euro at 31 December 2024 (85,9 million Euro at the end of 2023).

Equity securities represent minority interests in companies in connection with transactions conducted by the Equity Investment segment.

The item "UCITS units", totalling 92,4 million Euro as at 31 December 2024, up approximately 21 million Euro, refers to 82,0 million Euro in units of equity and bond funds, 9,1 million Euro in units of real estate funds, and the remainder in multi-fund sub-funds. The values classified at Level 1 refer to an investment made in 2023 in a listed equity fund.

2.6 Financial assets mandatorily measured at fair value: breakdown by debtor/issuer

Items/Amounts	31.12.2024	31.12.2023
1. Equity securities	**68.725**	**51.051**
of which: banks	-	-
of which: other financial companies	*1.166*	*3.051*
of which: non-financial companies	*67.559*	*48.000*
2. Debt securities	**68.082**	**85.860**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	68.082	85.860
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. UCITS units	**92.417**	**71.453**
4. Loans	**1.207**	**7.102**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	13	71
of which: insurance companies	-	-
e) Non-financial companies	1.194	7.031
f) Households	-	-
Total	**230.431**	**215.466**

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

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

Items/Amounts	31.12.2024			31.12.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**539.362**	**5.574**	**-**	**628.933**	**5.373**	**-**
1.1 Structured	4.462	-	-	4.370	-	-
1.2 Other debt securities	534.900	5.574	-	624.563	5.373	-
2. Equity securities	**84.159**	**-**	**72.730**	**44.856**	**-**	**70.009**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**623.521**	**5.574**	**72.730**	**673.789**	**5.373**	**70.009**

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

Financial assets measured at fair value through other comprehensive income total 701,8 million Euro at 31 December 2024, down 47,3 million Euro from December 2023, and include the debt securities that passed the SPPI test as well as equity securities for which the Bank elected the so-called OCI option pursuant to IFRS 9.

Level 1 “other debt securities” refer for 455,3 million Euro to Italian and foreign Government bonds.

Equity securities measured at fair value through other comprehensive income amount to 156,9 million Euro at 31 December 2024, up 36,6% from 31 December 2023. This item is attributable to minority interests in leading companies in the banking and insurance, energy and telecommunications sectors, both Italian (106,3 million Euro) and foreign (50,6 million Euro). The proprietary portfolio strategy is consolidated with a view to optimising dividends.

It should also be noted that financial assets measured at fair value through Level 3 comprehensive income include shares in the capital of the Bank of Italy in the amount of 50 million Euro. In this regard, it should be noted that these units derive from the capital increase transaction carried out by the Bank of Italy in 2013 as a result of Decree-Law No. 133 of 30 November 2013, converted by Law No. 5 of 29 January 2014, which resulted in the issuance of new quotas, for a value of 25.000 Euro per unit.

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

Items/Amounts	31.12.2024	31.12.2023
1. Debt securities	**544.936**	**634.306**
a) Central Banks	-	-
b) Public Administrations	455.312	460.187
c) Banks	34.310	93.023
d) Other financial companies	20.103	26.345
of which: insurance companies	-	-
e) Non-financial companies	35.211	54.751
2. Equity securities	**156.889**	**114.865**
a) Banks	61.954	51.767
b) Other issuers:	94.935	63.098
- other financial companies	5.712	9.879
of which: insurance companies	*1.750*	*3.881*
- non-financial companies	89.223	53.219
- other	-	-
3. Loans	**-**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**701.825**	**749.171**

3.3 Financial assets measured at fair value through other comprehensive income: gross amount and overall impairment losses/reversals

	Gross amount					Overall impairment losses/reversals				Overall partial write-offs [1]
	Stage 1	*of which: Low credit risk instruments*	Stage 2	Stage 3	Purchased or originated impaired	Stage 1	Stage 2	Stage 3	Purchased or originated impaired	
Debt securities	542.021	*541.731*	3.596	-	-	(363)	(318)	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**542.021**	***541.731***	**3.596**	**-**	**-**	**(363)**	**(318)**	**-**	**-**	**-**
Total 31.12.2023	**632.507**	***632.505***	**2.962**	**-**	**-**	**(1.032)**	**(131)**	**-**	**-**	**-**

(1) Value to be disclosed for information purposes.

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

4.1 Financial assets measured at amortised cost: breakdown of receivables due from banks by type

Type of transaction/Amounts	31.12.2024						31.12.2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3
A. Receivables due from Central	**73.189**	**-**	**-**	**-**	**-**	**73.189**	**25.490**	**-**	**-**	**-**	**-**	**25.490**
1. Term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	73.189	-	-	X	X	X	25.490	-	-	X	X	X
3. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
B. Receivables due from banks	**687.756**	**-**	**-**	**545.975**	**2.082**	**151.817**	**609.312**	**-**	**-**	**587.903**	**-**	**34.586**
1. Loans	131.696	-	-	-	-	131.695	32.471	-	-	-	-	32.471
1.1. Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Term deposits	470	-	-	X	X	X	-	-	-	X	X	X
1.3 Other loans:	131.226	-	-	X	X	X	32.471	-	-	X	X	X
- Reverse repurchase agreements	25.181	-	-	X	X	X	-	-	-	X	X	X
- Financing for leasing	278	-	-	X	X	X	100	-	-	X	X	X
- Other	105.767	-	-	X	X	X	32.371	-	-	X	X	X
2. Debt securities	556.060	-	-	545.975	2.082	20.122	576.841	-	-	587.903	-	2.115
2.1 Structured	2.045	-	-	-	2.082	-	9.411	-	-	7.296	-	2.115
2.2 Other debt securities	554.015	-	-	545.975	-	20.122	567.430	-	-	580.607	-	-
Total	**760.945**	**-**	**-**	**545.975**	**2.082**	**225.006**	**634.802**	**-**	**-**	**587.903**	**-**	**60.076**

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

Total receivables due from banks measured at amortised cost amount to 760,9 million Euro at 31 December 2024, up 19,9% on the balance booked at 31 December 2023. The growth was mainly driven by approximately 98,6 million Euro in other bank loans together with repos and the increase in loans to central banks related to the reserve requirement of 73,2 million Euro at the end of the period (25,5 million Euro at 31 December 2023). The item also includes debt securities in the amount of 556,6 million Euro, down 3,6% from December 2023 (576,8 million Euro).

4.2 Financial assets measured at amortised cost: breakdown of receivables due from customers by type

Type of transaction/Amounts	31.12.2024						31.12.2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated impaired	L1	L2	L3
1. Loans	**6.799.228**	**197.612**	**22.862**	**-**	**-**	**7.068.671**	**6.430.177**	**212.796**	**33.541**	**-**	**-**	**6.715.836**
1.1. Current accounts	154.843	7.884	146	X	X	X	123.034	5.358	119	X	X	X
1.2. Reverse repurchase agreements	153.628	-	-	X	X	X	-	-	-	X	X	X
1.3. Loans/ mortgages	2.366.098	76.484	20.425	X	X	X	2.367.007	59.780	31.778	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	2	5	136	X	X	X	19	-	277	X	X	X
1.5. Financing for leasing	1.384.065	12.832	-	X	X	X	1.352.040	10.270	-	X	X	X
1.6. Factoring	2.245.270	64.119	57	X	X	X	2.231.959	115.552	58	X	X	X
1.7. Other loans	495.322	36.288	2.098	X	X	X	356.118	21.836	1.309	X	X	X
2. Debt securities	**2.298.342**	**2.206**	**-**	**1.694.224**	**-**	**560.426**	**2.525.467**	**-**	**-**	**1.753.065**	**-**	**700.101**
2.1. Structured	13.246	-	-	8.857	-	4.491	16.561	-	-	10.808	-	5.511
2.2. Other debt securities	2.285.096	2.206	-	1.685.367	-	555.935	2.508.906	-	-	1.742.257	-	694.590
Total	**9.097.570**	**199.818**	**22.862**	**1.694.224**	**-**	**7.629.097**	**8.955.644**	**212.796**	**33.541**	**1.753.065**	**-**	**7.415.937**

Total receivables due from customers measured at amortised cost amount to 9.320,3 million Euro, +1,3% on 31 December 2023 (9.202 million Euro). This item, net of the decrease in the debt securities component (-224,9 million Euro), increased by 5,1% year-on-year, due to an increase in all business units: leasing, factoring, as well as corporate banking & lending.

At 31 December 2024, other debt securities include 1.579,0 million Euro in Italian and foreign government securities acquired by Banca Ifis with a view to optimising liquidity (1.628,7 million Euro at 31 December 2023). Level 3 securities mainly include investments in securitisations.

A 7,7% reduction is also recorded in non-performing loans, driven by non-performing past-due exposures, which go from 99,4 million Euro in December 2023 to 49,4 million Euro at the end of 2024. In particular, impaired past-due exposures to PA were reduced.

4.3 Financial assets measured at amortised cost: breakdown of receivables due from customers by debtor/issuer

Type of transaction/Amounts	31.12.2024			31.12.2023		
	Stages 1 and 2	Stage 3	Purchased or originated impaired	Stages 1 and 2	Stage 3	Purchased or originated impaired
1. Debt securities:	**2.298.342**	**2.206**	**-**	**2.525.467**	**-**	**-**
a) Public Administrations	1.603.377	-	-	1.660.628	-	-
b) Other financial companies	617.841	2.206	-	776.746	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	77.124	-	-	88.093	-	-
2. Loans to:	**6.799.228**	**197.612**	**22.862**	**6.430.177**	**212.796**	**33.541**
a) Public Administrations	250.240	30.944	57	265.267	76.186	57
b) Other financial companies	1.348.820	426	1.162	1.063.999	1.580	342
of which: insurance companies	*1.854*	-	-	*798*	-	-
c) Non-financial companies	4.776.088	143.123	13.619	4.633.067	115.103	24.526
d) Households	424.080	23.119	8.024	467.844	19.927	8.616
Total	**9.097.570**	**199.818**	**22.862**	**8.955.644**	**212.796**	**33.541**

4.4 Financial assets measured at amortised cost: gross amount and overall impairment losses/reversals

	Gross amount					Overall impairment losses/reversals				Overall partial write-offs (1)
	Stage 1	*of which: Low credit risk instruments*	Stage 2	Stage 3	Purchased or originated impaired	Stage 1	Stage 2	Stage 3	Purchased or originated impaired	
Debt securities	2.855.355	*2.855.355*	1.004	3.200	-	(1.954)	(3)	(994)	-	-
Loans	6.555.041	-	511.321	394.165	22.862	(38.659)	(23.590)	(196.553)	-	(2.401)
Total 31.12.2024	**9.410.396**	***2.855.355***	**512.325**	**397.365**	**22.862**	**(40.613)**	**(23.593)**	**(197.547)**	**-**	**(2.401)**
Total 31.12.2023	**9.206.718**	***3.106.135***	**489.007**	**385.461**	**33.541**	**(67.686)**	**(37.593)**	**(172.665)**	**-**	**(33.775)**

(1) Amount to be reported for disclosure purposes

Section 5 - Hedging derivatives - Item 50

5.1 Hedging derivatives: breakdown by hedge type and Levels

	Fair Value			Notional amount	Fair Value			Notional amount
	31.12.2024				31.12.2023			
	L1	L2	L3	31.12.2024	L1	L2	L3	31.12.2023
A. Financial derivatives								
1) Fair value	-	7.404	-	188.163	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-		-	-	-	-
Total	**-**	**7.404**	**-**	**188.163**	**-**	**-**	**-**	**-**

The evolution of the fair values of outstanding derivatives is influenced not only by volumes, but also by the dynamics of interest rates. Fair value measurements are classified on the basis of a hierarchy of levels that reflects the observability of the inputs used in the measurements. For further information, see Section 'A.4 - Fair Value Disclosures', Notes to the Financial Statements, Part A - Accounting Policies.

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

Transactions/Hedge type	Fair Value							Cash flows		Foreign investments
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equity securities and share indexes	currencies and gold	credit	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	1.432	5.972	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**1.432**	**5.972**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 - Value adjustment of financial assets generically hedged - Item 60

Item 60 is not entered at the reporting date.

6.1 Value adjustment of hedged assets: breakdown by hedged portfolio

The case does not exist.

Section 7 - Equity investments - Item 70

7.1 Equity investments: information on investments

Company Name	Registered office	Head Office	Equity %	Voting rights %
A. Subsidiaries				
1. Ifis Finance Sp. z o.o.	Warsaw	Warsaw	100,00%	100,00%
2. Ifis Rental Services S.r.l.	Milan	Milan	100,00%	100,00%
3. Ifis Npl Investing S.p.A.	Mestre	Florence, Milan and Mestre	100,00%	100,00%
4. Cap.Ital.Fin. S.p.A.	Naples	Naples	100,00%	100,00%
5. Banca Credifarma S.p.A.	Bologna	Bologna	87,74%	87,74%
6. Ifis Finance I.F.N. S.A.	Bucharest	Bucharest	99,99%	99,99%
7. Ifis NPL 2021-1 SPV S.r.l.	Conegliano (Province of Treviso)	Conegliano (Province of Treviso)	51,00%	51,00%
B. Joint ventures	-	-	-	-
C. Companies under significant influence	-	-	-	-

7.2 Significant shareholdings: carrying amount, fair value and dividends received

The case does not exist.

7.3 Significant shareholdings: accounting information

The case does not exist.

7.4 Non-significant shareholdings: accounting information

The case does not exist.

7.5 Equity investments: annual changes

	31.12.2024	31.12.2023
A. Opening balance	**672.528**	**661.333**
B. Increases	**30.000**	**14.937**
B.1 Purchases	30.000	14.937
B.2 Reversals of impairment losses	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	**3.017**	**3.742**
C.1 Sales	-	-
C.2 Impairment losses/reversals	3.017	3.740
C.3 Devaluations	-	-
C.4 Other changes	-	2
D. Closing balance	**699.511**	**672.528**
E. Total revaluations	-	-
F. Total adjustments	**3.017**	**3.740**

Purchases refer to the capital increase subscribed by the Bank with reference to Cap.Ital.Fin. S.p.A. The write-backs recorded refer entirely to the investment in Cap.Ital.Fin. S.p.A. and reflect the impairment carried out on the relevant equity investment.

7.6 Commitments in respect of interests in companies held jointly

The case does not exist.

7.7 Commitments in respect of interests in companies subject to significant influence

The case does not exist.

7.8 Significant restrictions

The case does not exist.

7.9 Other information

There is no further information to report than that presented in the preceding paragraphs.

Section 8 - Property, plant and equipment - Item 80

8.1 Property, plant and equipment for functional use: breakdown of assets measured at cost

Assets/amounts	31.12.2024	31.12.2023
1. Owned	**141.566**	**119.196**
a) Land	20.297	20.297
b) Buildings	74.189	62.521
c) Furniture	3.445	3.454
d) Electronic equipment	4.280	5.506
e) Other	39.355	27.418
2. Rights of use acquired through leases	**21.238**	**21.208**
a) Land	-	-
b) Buildings	17.637	18.024
c) Furniture	-	-
d) Electronic equipment	-	67
e) Other	3.601	3.117
Total	**162.804**	**140.404**
of which: obtained by enforcing collateral	-	-

Property, plant and equipment amount to 162,8 million Euro, showing an increase of 16,0% compared to the balance of 140,4 million Euro in 2023. The change is mainly driven by investments made by the Bank during FY 2024, including an office building in Milan and Palazzo San Pantalon in Venice, on whose façade the work "The Migrant Child" by the artist Banksy is painted.

At 31 December 2024, the properties recognised under property, plant and equipment include the important historical building "Villa Fürstenberg" ("Villa Marocco"), located in Mestre – Venice and housing Banca Ifis's registered office.

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

Assets/Amounts	31.12.2024				31.12.2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned	**210**	**-**	**-**	**210**	**407**			**407**
a) Land	-	-	-	-				
b) Buildings	210	-	-	210	407			407
2. Rights of use acquired through leases	**-**	**-**	**-**	**-**				
a) Land	-	-	-	-				
b) Buildings	-	-	-	-				
Total	**210**	**-**	**-**	**210**	**407**			**407**
of which: obtained by enforcing collateral	-	-	-	-	-	-	-	-

Key
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

8.3 Property, plant and equipment for functional use: breakdown of assets written back

There is no data to report.

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

There is no data to report.

8.5 Inventories of tangible assets covered by IAS 2: composition

The Bank holds no inventories of tangible assets governed by IAS 2.

8.6 Property, plant and equipment for functional use: annual changes

	Land	Buildings	Furnishings	Electronic equip-ment	Other	Total 31.12.2024
A. Gross opening balance	**20.297**	**103.804**	**12.127**	**24.821**	**38.784**	**199.833**
A.1 Total net amortisation and impairment losses	-	23.260	8.673	19.248	8.248	59.429
A.2 Net opening balance	**20.297**	**80.544**	**3.454**	**5.573**	**30.536**	**140.404**
B. Increases	**-**	**15.361**	**670**	**1.020**	**16.919**	**33.970**
B.1 Purchases	-	15.198	669	1.020	14.124	31.011
B.2 Capitalised improvement expenses	-	-	-	-	2.751	2.751
B.3 Reversals of impairment losses	-	-	-	-	-	-
B.4 Fair value gains taken to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	X	X	X	-
B.7 Other changes	-	163	1	-	44	208
C. Decreases	**-**	**4.079**	**679**	**2.313**	**4.499**	**11.570**
C.1 Sales	-	143	-	-	15	158
C.2 Depreciation	-	3.869	679	2.293	4.252	11.093
C.3 Impairment losses taken to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.4 Fair value losses taken to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) Property, plant and equipment held for investment purpose	-	-	X	X	X	-
b) Non-current assets and disposal groups	-	-	-	-	-	-
C.7 Other changes	-	67	-	20	232	319
D. Net closing balance	**20.297**	**91.826**	**3.445**	**4.280**	**42.956**	**162.804**
D.1 Total net amortisation and impairment losses	-	26.984	9.350	20.718	13.033	70.085
D.2 Gross closing balance	**20.297**	**118.810**	**12.795**	**24.998**	**55.989**	**232.889**
E. Measurement at cost	**-**	**-**	**-**	**-**	**-**	**-**

Property, plant and equipment for functional use are measured at cost and are depreciated on a straight-line basis over their useful life, with the exclusion of land with an indefinite useful life and the “Villa Fürstenberg” ("Villa Marocco") property, whose residual value at the end of its useful life is expected to be higher than its book value.

Property, plant and equipment not yet brought into use at the reporting date are not depreciated.

8.7 Property, plant and equipment held for investment purpose: annual changes

	31.12.2024	
	Land	Buildings
A. Opening balance	**-**	**407**
B. Increases	**-**	**-**
B.1 Purchases	-	-
B.2 Capitalised improvement expenses	-	-
B.3 Fair value gains	-	-
B.4 Reversals of impairment losses	-	-
B.5 Exchange gains	-	-
B.6 Transfers from property for functional use	-	-
B.7 Other changes	-	-
C. Decreases	-	**197**
C.1 Sales	-	180
C.2 Depreciation	-	-
C.3 Fair value losses	-	-
C.4 Impairment losses	-	17
C.5 Exchange losses	-	-
C.6 Transfers to:	-	-
a) property for functional use	-	-
b) Non-current assets and disposal groups	-	-
C.7 Other changes	-	-
D. Closing balance	-	**210**
E. Measurement at fair value	-	**210**

8.8 Inventories of tangible assets covered by IAS 2: annual changes

There is no data to report.

8.9 Commitments to purchase property, plant and equipment

There are no commitments to purchase property, plant and equipment.

Section 9 - Intangible assets - Item 90

9.1 Intangible assets: breakdown by asset type

Assets/Amounts	31.12.2024		31.12.2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	**X**	**-**	**X**	**-**
A.2 Other intangible assets	**40.100**	**-**	**32.993**	**-**
of which: software	*40.100*	-	*32.993*	-
A.2.1 Assets measured at cost:	40.100	-	32.993	-
a) Internally generated intangible assets	2.749	-	1.326	-
b) Other assets	37.351	-	31.667	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**40.100**	**-**	**32.993**	**-**

Other intangible assets at end 2024 refer almost exclusively to software purchase and development, amortised on a straight-line basis over the estimated useful life, which is five years from deployment.

9.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total 31.12.2024
		FINITE	INDEF	FINITE	INDEF	
A. Opening balance	**-**	**1.479**	**-**	**95.548**	**-**	**97.027**
A.1 Total net amortisation and impairment losses	-	153	-	63.881	-	64.034
A.2 Net opening balance	**-**	**1.326**	**-**	**31.667**	**-**	**32.993**
B. Increases	**-**	**1.788**	**-**	**14.701**	**-**	**16.489**
B.1 Purchases	-	-	-	14.701	-	14.701
B.2 Increases in internally generated intangible assets	X	1.788	-	-	-	1.788
B.3 Reversals of impairment losses	X	-	-	-	-	-
B.4 Fair value gains	-	-	-	-	-	-
- to equity	X	-	-	-	-	-
- to profit or loss	X	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**365**	**-**	**9.017**	**-**	**9.382**
C.1 Sales	-	-	-	-	-	-
C.2 Impairment losses/reversals	-	365	-	9.017	-	9.382
- Amortisation	X	365	-	9.017	-	9.382
- Impairment losses:	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ profit or loss	-	-	-	-	-	-
C.3 Fair value losses:	-	-	-	-	-	-
- to equity	X	-	-	-	-	-
- to profit or loss	X	-	-	-	-	-
C.4 Transfer to non-current assets under disposal	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	**-**	**2.749**	**-**	**37.351**	**-**	**40.100**
D.1 Total net amortisation, impairment losses and reversals of impairment losses	-	518	-	72.898	-	73.416
E. Gross closing balance	**-**	**3.267**	**-**	**110.249**	**-**	**113.516**
F. Measurement at cost	-	-	-	-	-	-

Key
FIN: finite useful life
INDEF: indefinite useful life

Purchases refer exclusively to investments for the enhancement of IT systems.

9.3 Intangible assets: other information

There is no further information to report than that presented in the preceding paragraphs.

Section 10 - Tax assets and liabilities - Item 100 of assets and Item 60 of liabilities

National consolidated tax regime

Banca Ifis, together with the other Group companies, 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 parent company La Scogliera S.A., has 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 ACE surpluses realised during the adhesion period).

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

10.1 Deferred tax assets: breakdown

The main types of deferred tax assets are set out below:

Deferred tax assets	31.12.2024	31.12.2023
A. Gross deferred tax assets	**152.283**	**209.655**
A1. Receivables (including securitisations)	80.963	135.184
A2. Other financial instruments	10.497	11.928
A3. Goodwill	5.029	7.544
A4. Expenses spanning several years	-	-
A5. Tangible assets	-	-
A6. Provisions for risks and charges	12.538	11.606
A7. Entertainment expenses	-	-
A8. Personnel-related expenses	-	-
A9. Tax losses	39.989	39.989
A10. Unused tax credits to be deducted	-	-
A11. Other	3.267	3.404
B. Set-off with deferred tax liabilities	**-**	-
C. Net deferred tax assets	**152.283**	**209.655**

Deferred tax assets amount to 152,3 million Euro compared to the figure of 209,7 million Euro at 31 December 2023 and consist mainly of approximately 81 million Euro of assets recognised for impairment losses on receivables due from customers, potentially convertible into tax credits (135,2 million Euro at 31 December 2023), 40,0 million Euro assets recognised for prior tax losses and aid for economic growth (“ACE”) benefit (40,0 million Euro at 31 December 2023) and 10,5 million Euro in misalignments on financial assets measured at fair value with impact on comprehensive income (FVOCI) (11,9 million Euro at 31 December 2023).

The item also includes approximately 5,0 million Euro for the tax redemption of goodwill booked on the Consolidated Financial Statements relative to the purchase of the controlling equity investment in the former Fbs and 12,5 million Euro for temporary differences in provisions for risks and charges.

In accordance with the rules set forth in IAS 12 and the ESMA communication of 15 July 2019, the Bank recognised Deferred Tax Assets (DTAs), after verifying that the amounts so recognised are supported by a probability opinion on their recoverability. For the purpose of expressing the aforementioned opinion, current tax provisions were taken into consideration, with particular reference to the rules for transforming certain deferred tax assets into tax credits, and the Bank's ability to generate future taxable income also taking into account the "tax consolidation" option.

As for the qualified DTAs convertible into tax credits, amounting to 81,0 million Euro at 31 December 2024, the tax regulations introduced by Law 214/2011, together with the exercise of the annual fee regime option, make their recoverability certain. This treatment is in line with the rules contained in Bank of Italy/Consob/Isvap Document No. 5 of 15 May 2012 "Accounting treatment of deferred tax assets under Law No. 214/2011".

For the remaining tax assets (non-transformable DTAs), totalling 71,3 million Euro, the recognition and subsequent maintenance in the financial statements are strictly dependent on the ability of the Bank to generate future taxable income (referred to as "tax capability").

Details on the assumptions used for the probability test and their outcomes are given below.

Estimated future taxable income

Future taxable income was estimated based on Banca Ifis's most recent income projections. In view of the current uncertain environment, the last available income without any growth assumptions was taken as a reference for long-term profitability.

Probability test results and sensitivity analysis

On the basis of the assessment carried out with the model described previously, out of the overall total of 152,3 million Euro, the 81,0 million Euro portion attributable to Law 214/2011 (equal to 53,2% of the total DTA) will be reversed by 2029 due to express regulatory provision. The portion referring to prior tax losses and ACE surpluses, totalling 40,0 million Euro (or 26,3% of the total DTA) should be fully recovered from 2025 to 2032 (of which approximately 31 million Euro by 2029). The remaining 31,3 million Euro refers mainly to financial assets measured at fair value through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve.

10.2 Deferred tax liabilities: breakdown

The main types of deferred tax liabilities are shown below:

Deferred tax liabilities	31.12.2024	31.12.2023
A. Gross deferred tax liabilities	**27.060**	**29.469**
A1. Capital gains to be spread over multiple periods	-	-
A2. Goodwill	-	-
A3. Tangible assets	290	295
A4. Financial instruments	1.320	1.033
A5. Personnel-related expenses	-	-
A6. Other	25.450	28.141
B. Set-off with deferred tax assets	**-**	**-**
C. Net deferred tax liabilities	**27.060**	**29.469**

Deferred tax liabilities, totalling 27,1 million Euro, mainly include 23,6 million Euro in receivables for interest on arrears that will be taxed upon receipt, 0,3 million Euro in the revaluation of property and 1,3 million Euro relative to financial assets measured at fair value through other comprehensive income (FVOCI).

10.3 Changes in deferred tax assets (recognised through profit or loss)

	31.12.2024	31.12.2023
1. Opening balance	**197.727**	**229.439**
2. Increases	**27.411**	**34.081**
2.1 Deferred tax assets recognised in the year	27.411	34.081
a) relative to previous years	(65)	403
b) due to change in accounting standards	-	-
c) reversals of impairment losses	-	-
d) other	27.476	33.678
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**83.352**	**65.793**
3.1 Deferred tax assets reversed during the year	56.564	60.316
a) reversals	56.564	57.126
b) impairment losses due to unrecoverability	-	-
c) change in accounting standards	-	-
d) other	-	3.190
3.2 Reductions in tax rates	-	-
3.3 Other decreases:	26.788	5.477
a) conversion into tax credits as per Italian Law No. 214/2011	26.788	5.359
b) other	-	118
4. Closing balance	**141.786**	**197.727**

10.3bis Changes in deferred tax assets as per Italian Law no. 214/2011

	31.12.2024	31.12.2023
1. Opening balance	**135.184**	**166.538**
2. Increases	**16**	**-**
3. Decreases	**54.237**	**31.354**
3.1 Reversals	27.449	25.995
3.2 Conversion in tax credits	26.788	5.359
a) deriving from losses for the year	-	-
b) deriving from tax losses	26.788	5.359
3.3 Other decreases	-	-
4. Closing balance	**80.963**	**135.184**

10.4 Changes in deferred tax liabilities (recognised through profit or loss)

	31.12.2024	31.12.2023
1. Opening balance	**28.436**	**29.155**
2. Increases	**26.241**	**700**
2.1 Deferred tax assets recognised in the year	26.241	700
a) relative to previous years	-	-
b) due to change in accounting standards	-	-
c) other	26.241	700
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**28.964**	**1.419**
3.1 Deferred tax liabilities reversed during the year	28.964	1.419
a) reversals	28.964	1.419
b) due to change in accounting standards	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**25.713**	**28.436**

10.5 Changes in deferred tax assets (recognised through equity)

	31.12.2024	31.12.2023
1. Opening balance	**11.928**	**20.463**
2. Increases	**-**	**-**
2.1 Deferred tax assets recognised in the year	-	-
a) relative to previous years	-	-
b) due to change in accounting standards	-	-
c) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1.431**	**8.535**
3.1 Deferred tax assets reversed during the year	1.431	8.535
a) reversals	1.431	8.535
b) impairment losses due to unrecoverability	-	-
c) due to change in accounting standards	-	-
d) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**10.497**	**11.928**

10.6 Changes in deferred tax liabilities (recognised through equity)

	31.12.2024	31.12.2023
1. Opening balance	**1.033**	**1.119**
2. Increases	**314**	**1.911**
2.1 Deferred tax assets recognised in the year	314	1.911
a) relative to previous years	(11)	-
b) due to change in accounting standards	-	-
c) other	325	1.911
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**1.997**
3.1 Deferred tax liabilities reversed during the year	-	1.997
a) reversals	-	1.997
b) due to change in accounting standards	-	-
c) other	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**1.347**	**1.033**

10.7 Other information

A) Current tax assets

	31.12.2024	31.12.2023
A. Gross current tax assets	**21.491**	**29.270**
A1. IRES advances	304	304
A2. IRAP advances	6.423	5.437
A3. Other receivables and withholdings	14.764	23.529
B. Set-off with current tax liabilities	**-**	**-**
C. Net current tax assets	**21.491**	**29.270**

B) Current tax liabilities

	31.12.2024	31.12.2023
A. Gross current tax liabilities	**9.138**	**8.799**
A1. IRES tax payables	-	-
A2. IRAP tax payables	9.138	8.799
A3. Other current income taxes payable	-	-
B. Set-off with current tax assets	**-**	**-**
C. Net current tax liabilities	**9.138**	**8.799**

Section 11 – Non-current assets and disposal groups and related liabilities – Item 110 (assets) and Item 70 (liabilities)

Item 110 of assets and item 70 of liabilities did not exist at the reporting date.

11.1 Non-current assets and disposal groups: breakdown by type of asset

The case does not exist.

11.2 Other information

There is no further information to report than that presented in the preceding paragraphs.

Section 12 - Other assets - Item 120

12.1 Other assets: breakdown

	AMOUNTS	
	31.12.2024	**31.12.2023**
Tax receivables	175.922	220.522
Accrued income and deferred expenses	33.554	21.686
Guarantee deposits	685	685
Debtors for invoices	35.300	34.558
Sundry receivables	30.546	37.175
Miscellaneous provisional items	17.984	20.831
Effects portfolio	38.426	41.439
Total other assets	**332.417**	**376.896**

Other assets amount to 332,4 million Euro at 31 December 2024 (376,9 million Euro at 31 December 2023).

“Tax receivables” consist mainly of the portion deemed recoverable of tax credits for superbonus and other building tax bonuses, (163,0 million Euro of Ecobonus), purchased in previous years, to which a nominal amount of 180,8 million Euro corresponds.

With specific reference to the above-mentioned tax credits for Super Ecobonus and other tax bonuses, it should be noted that during FY 2024, the reference legislation was updated with the approval of Law no. 67 of 23 May 2024 and published in Official Journal no. 123 of 28 May 2024, some important changes were introduced on the subject of building bonus credits. For more details, refer to the relevant section of the Consolidated Financial Statements.

LIABILITIES

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

1.1 Financial liabilities at amortised cost: breakdown of payables due to banks by type

Type of transaction/Amounts	31.12.2024				31.12.2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Payables due to Central banks	**419.316**	**X**	**X**	**X**	**1.577.874**	**X**	**X**	**X**
2. Payables due to banks	**908.068**	**X**	**X**	**X**	**1.026.592**	**X**	**X**	**X**
2.1 Current accounts and on demand deposits	727	X	X	X	19.202	X	X	X
2.2 Term deposits	91.222	X	X	X	117.309	X	X	X
2.3 Loans	809.938	X	X	X	880.222	X	X	X
2.3.1 Repurchase agreements	630.539	X	X	X	715.313	X	X	X
2.3.2 Other	179.399	X	X	X	164.909	X	X	X
2.4 Debt from buyback commitments on treasury equity instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other payables	6.181	X	X	X	9.859	X	X	X
Total	**1.327.384**	**-**	**-**	**1.327.384**	**2.604.466**	**-**	**-**	**2.604.466**

Key
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Payables due to banks amount to 1.327,4 million Euro, down 49% compared to 31 December 2023. The change is mainly attributable to the repayment of all TLTRO lines for a nominal 1,5 billion Euro (of which the last tranche maturing in September 2024) and the reduction in repurchase agreements of 84,8 million Euro, only partially offset by the signing of an MRO transaction in December 2024 for 400 million Euro maturing on 8 January 2025. As a result of Decision ECB/2022/37 of 27 October 2022 for FY 2024, the fees were determined on the basis of the rate provided for as of the aforementioned decision.

The item "Other payables" mainly includes deposits for margins related to transactions on derivatives.

The fair value of payables due to banks is in line with the relevant carrying amount, considering the counterparty and the fact that interbank deposits are short- or very short-term.

1.2 Financial liabilities measured at amortised cost: breakdown of payables due to customers by type

Type of transaction/Amounts	31.12.2024				31.12.2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and on demand deposits	918.704	X	X	X	1.043.442	X	X	X
2. Term deposits	4.732.115	X	X	X	4.136.919	X	X	X
3. Loans	1.249.556	X	X	X	493.791	X	X	X
3.1 Repurchase agreements	1.045.734	X	X	X	346.317	X	X	X
3.2 Other	203.822	X	X	X	147.474	X	X	X
4. Debt from buyback commitments on treasury equity instruments	-	X	X	X	-	X	X	X
5. Lease payables	21.247	X	X	X	21.058	X	X	X
6. Other payables	1.277.801	X	X	X	1.381.989	X	X	X
Total	**8.199.423**	**-**	**-**	**8.028.548**	**7.077.199**	**-**	**-**	**6.892.782**

Key:
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Payables due to customers at 31 December 2024 total 8.199,4 million Euro, up 15,9% compared to 31 December 2023. The change is mainly driven by an increase in repurchase agreements of 699,4 million Euro and time deposits of 595,2 million Euro, partially offset by a decrease in the balance of current accounts and demand deposits of 124,7 million Euro.

This latter item includes funding from the on demand Rendimax savings account and the Rendimax on-line current account, amounting to 438,9 million Euro and 27,1 million Euro, respectively; term deposits represent restricted funding from fixed-term Rendimax accounts and time deposits. Lease payables represent lease liabilities (connected with finance lease contracts and rights of use acquired under leases), in accordance with IFRS 16.

Other payables, which mainly consist of loans related to securitisation transactions, amount to 1.277,8 million Euro, down 7,5% year-on-year.

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

Type of securities/Amounts	31.12.2024				31.12.2023			
	CA	Fair Value			CA	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. Bonds	1.507.314	1.455.245	112.439	-	1.435.796	1.329.813	104.630	-
1.1 structured bonds	-	-	-	-	-	-	-	-
1.2 other bonds	1.507.314	1.455.245	112.439	-	1.435.796	1.329.813	104.630	-
2. Other securities	37	-	-	37	56	-	-	56
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	37	-	-	37	56	-	-	56
Total	**1.507.351**	**1.455.245**	**112.439**	**37**	**1.435.852**	**1.329.813**	**104.630**	**56**

Key:
CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Debt securities issued at 31 December 2024 total 1.507,4 million Euro, up 5% compared to 31 December 2023 mainly due to interest accrued during the period.

“Bonds” include senior bonds issued by the Bank in the total amount of 1.134,3 million Euro, including interest, up 6,7% compared with the previous year’s figure. In February 2024, a new issue was given of a senior bond worth a nominal amount of 400 million Euro and having a term of five years was made, which substantially replaced the Senior Preferred bond worth a nominal amount of 400 million Euro issued in 2020 and maturing on 25 June 2024.

The item also includes the Tier 2 bond in the amount of 373 million Euro, including interest, in line with the previous year’s figure.

1.4 Breakdown of subordinated debts/securities

The line item "Debt securities issued" includes 373 million Euro in subordinated notes related to Euro Tier 2 bond issued in mid-October 2017 for a nominal amount of 400 million Euro.

1.5 Breakdown of structured debts

The case does not exist.

1.6 Lease payables

The lease payable is related to lease contracts of properties and cars for 18,8 million Euro, all coming under the scope of application of accounting standard IFRS 16, as more extensively described in “Part M - Leasing disclosure” of this document.

The item also includes 2,4 million Euro for the real estate lease the former company Toscana Finanza S.p.A. entered into in 2009 for the property located in Florence, which housed the headquarters of Npl Investing S.p.A. until August 2016. The term of the lease entered into with Centro Leasing S.p.A. is 18 years (from 01.03.2009 to 01.03.2027) and provides for the payment of 216 monthly instalments of 28,5 thousand Euro, including the principal, interest and an option to buy the asset at the end of the lease for 1,9 million Euro. At the reference date of these Financial Statements, the property is used as an additional operational headquarters of the Bank.

The rate applied to lease payables expresses the Group's average cost of funding taking into account the creditworthiness of the lessee and the economic environment in which the transaction takes place, in line with the requirements of IFRS 16.

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: breakdown by type

Type of transaction/Amounts	31.12.2024					31.12.2023				
	NA	Fair value			Fair value*	NA	Fair value			Fair value*
		L1	L2	L3			L1	L2	L3	
A. On-balance-sheet liabilities										
1. Payables due to banks	-	-	-	-	-	-	-	-	-	-
2. Payables due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other					X					X
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial derivatives	-	-	13.765	-	-	-	-	14.005	-	-
1.1 For trading	X	-	13.765	-	X	X	-	14.005	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 For trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	**X**	**-**	**13.765**	**-**	**X**	**X**	**-**	**14.005**	**-**	**X**
Total (A+B)	**X**	**-**	**13.765**	**-**	**X**	**X**	**-**	**14.005**	**-**	**X**

Key:
NA = Nominal or notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3
Fair Value = Fair value calculated excluding changes in value due to changes in the issuer's creditworthiness compared to the date of issuance*

With regard to Level 2 trading liabilities, see the comments in "Section 2 - Financial assets measured at fair value through profit or loss - Item 20" of Assets in these individual Notes.

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

The case does not exist.

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

The case does not exist.

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

Item 30 is not present at the reporting date.

3.1. Financial liabilities designated at fair value: breakdown by type

The case does not exist.

3.2 Details of “Financial liabilities designated at fair value”: subordinated liabilities

The case does not exist.

Section 4 - Hedging derivatives - Item 40

4.1 Hedging derivatives: breakdown by hedge type and hierarchical Levels

	Fair Value 31.12.2024			NA 31.12.2024	Fair Value 31.12.2023			NA 31.12.2023
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**-**	**14.868**	**-**	**389.381**	**-**	**11.644**	**-**	**355.700**
1) Fair value	-	14.868	-	389.381	-	11.644	-	355.700
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**14.868**	**-**	**389.381**	**-**	**11.644**	**-**	**355.700**

Key:
NA = notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Hedging derivatives liabilities as at 31 December 2024 amount to 14,9 million Euro, up by 3,2 million Euro compared to the previous year, and mainly related to the micro fair value hedging strategy on the interest rate risk associated with securities held by the Bank.

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

Transactions/Hedge type	Fair Value							Cash flows		Foreign investments
	Specific						Generic	Specific	Generic	
	debt securities and interest rates	equity securities and share indexes	currencies and gold	credit	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	-	1.623	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	13.245	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**13.245**	**1.623**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	-	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 5 - Value adjustment of financial liabilities generically hedged - Item 50

Item 50 is not present at the reporting date.

5.1 Value adjustment of hedged financial liabilities: breakdown by hedged portfolio

The case does not exist.

Section 6 - Tax liabilities - Item 60

Current tax liabilities, amounting to 9,1 million Euro, represent the tax burden for the year and show an increase of 3,4 million Euro compared with the 8,8 million Euro recorded at 31 December 2023. Deferred tax liabilities, amounting to 27,1 million Euro, are better described in "Section 10 - Tax assets and liabilities - Item 100 of assets and Item 60 of liabilities" of the Assets in these individual Notes.

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

Item 70 is not present at the reporting date.

Section 8 - Other liabilities - Item 80

8.1 Other liabilities: breakdown

	31.12.2024	31.12.2023
Payables due to suppliers	63.285	77.994
Payables due to personnel	19.993	20.612
Payables due to the Tax Office and Social Security agencies	27.366	21.850
Sums available to customers	14.241	20.157
Accrued liabilities and deferred income	4.830	4.667
Other payables	90.213	114.695
Total	**219.928**	**259.975**

At 31 December 2024, other liabilities amount to 220 million Euro, a decrease of 40 million Euro from the balance at 31 December 2023. The change is mainly attributable, on the one hand, to the decrease in the item other payables due to a reduction in suspended receipts received at the end of the year (-23,4 million Euro compared to the previous year or -38,1%) and, on the other hand, to the reduction in trade payables, which decreased by 14,7 million Euro (-18,9%) compared to the previous year.

Section 9 - Post-employment benefits - Item 90

9.1 Post-employment benefits: annual changes

	31.12.2024	31.12.2023
A. Opening balance	**5.322**	**5.427**
B. Increases	**231**	**277**
B.1 Provisions for the year	164	194
B.2 Other changes	67	83
C. Decreases	**472**	**382**
C.1 Payments made	288	335
C.2 Other changes	184	47
D. Closing balance	**5.081**	**5.322**
Total	**5.081**	**5.322**

The liability for severance pay at 31 December 2024 amounts to 5,1 million Euro, down 4,5% compared with the previous year's figure (5,3 million Euro). Payments made represent the portions paid to employees during the year. Other decreases include the impact of the discounting of benefits earned up to 31 December 2006 and still held in the company, which, based on the changes introduced by IAS 19, are recognised through equity.

9.2 Other information

Under IAS/IFRS standards, a company's liabilities regarding benefits that will be paid to employees at the conclusion of the employer/employee relationship (post-employment benefits) should be recognised based on actuarial calculations of the amount that will be paid at maturity.

Specifically, these allocations must take into account the amount already earned over the period at the reporting date, projecting it into the future in order to calculate the amount that will be paid at the conclusion of the employer/employee relationship. This amount must then be discounted to take into account the time that will pass until payment.

Following the coming into force of the 2007 Budget Law, which brought the reform regarding supplementary pension plans - as per Italian Legislative Decree No. 252 of 5 December 2005 - forward to 1 January 2007, the employee was given a choice as to whether to allocate the post-employment benefits earned as from 1 January 2007 to supplementary pension funds or to maintain them in the company, which would then transfer it to a dedicated fund managed by INPS (the Italian National Social Security Institute).

This reform has led to changes in the accounting of post-employment benefits (severance indemnity) as for both the benefits earned up to 31 December 2006 and those earned from 1 January 2007.

In particular:

- post-employment benefits earned as from 1 January 2007 constitute a "defined-contribution plan", regardless of whether the employee has chosen to allocate them to a supplementary pension fund or to INPS's Treasury Fund. Those benefits shall be calculated according to contributions due without applying actuarial methods;
- post-employment benefits earned up to 31 December 2006 continue to be considered as a “defined-benefit plan”, and as such are calculated on an actuarial basis which, however, unlike the calculation method applied until 31 December 2006, no longer requires that the benefits be proportionally attributed to the period of service rendered. This is because the employee’s service is considered entirely accrued due to the change in the accounting nature of benefits earned as from 1 January 2007.

The actuarial valuation of the severance indemnity was conducted with the support of an independent external actuary, based on the “accrued benefits” methodology using the “Projected Unit Credit” criterion, as required by IAS 19. The following table shows the main demographic, economic and financial assumptions on which the valuation at 31 December 2024 is based.

Main actuarial assumptions for the valuation of the severance indemnity ("TFR")	
Demographic assumptions (2024):	
Employee mortality rate	From Istat table resident population
Probability of the request for advance payment of severance indemnity	1,3%
Measure required in the case of severance indemnity advance	70,0%
Frequency of turnover	1,3%
Financial assumptions (2024):	
Annual discount rate	3,3%
Annual inflation rate	2,0%

The update of the actuarial assumptions for the valuation of the severance indemnity at 31 December 2024, compared to the previous year, resulted in an overall decrease in the provision of 183,6 thousand Euro, equal to the combined effect of the following elements:

- changes in financial assumptions, for an overall net effect of 133,3 thousand Euro.
- changes in other actuarial assumptions, for an overall net effect of 50,3 thousand Euro.

With regard to the discount rate (3,3%), which is one of the most important assumptions used in the measurement of defined benefit plan obligations, reference was made to an average rate calculated on the basis of the duration of the settlements using reference indices on corporate bonds in euro currency and with a maturity > 6 years as benchmarks.

In fact, IAS 19 requires that this rate should reflect the time value of money, but not the entity-specific credit risk, actuarial or investment risk, and the risk that the actual data experienced may differ in the future from the actuarial assumptions used. The standard further specifies that this rate shall be determined by reference to market yields, at the end of the reporting period, of securities of primary corporations of the country in which the entity operates (referred to as the "High Quality Corporate Bond yield") and, alternatively, in the absence of a market for such securities, by reference to market yields of government securities.

Sensitivity analyses

As required by IAS 19, a sensitivity analysis of the severance pay obligation was conducted assuming an increase or decrease in the discount rate and inflation rate of 50 basis points. The analysis is intended to show how much the balance sheet liability would vary in relation to reasonably possible fluctuations in these actuarial assumptions.

The results of the sensitivity analysis are as follows, in terms of absolute and percentage changes in the severance pay liability:

	Change in severance indemnity ("TFR") in absolute terms (in thousands of Euro)	Change in severance indemnity ("TFR") in percentage terms
Modification of actuarial assumptions:		
- Discounting rate		
+ 0,5%	(205,2)	(4,04%)
- 0,5%	218,9	4,31%
- Inflation rate		
+ 0,5%	137,0	2,70%
- 0,5%	(128,8)	(2,54%)

Amounts in brackets indicate a decrease in the provision.

Section 10 - Provision for risks and charges - Item 100

10.1 Provisions for risks and charges: breakdown

Items/Amounts	31.12.2024	31.12.2023
1. Provisions for credit risk related to commitments and financial guarantees granted	5.102	5.248
2. Provisions on other commitments and guarantees given	337	-
3. Provisions for pensions	218	189
4. Other provisions for risks and charges	43.328	46.367
4.1 legal and tax disputes	25.595	37.953
4.2 personnel expenses	1.788	1.895
4.3 other	15.945	6.519
Total	**48.985**	**51.804**

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and financial guarantees granted	Provisions for pensions	Other provisions for risks and charges	Total 31.12.2024
A. Opening balance	**-**	**189**	**46.367**	**46.556**
B. Increases	**337**	**99**	**14.962**	**15.398**
B.1 Provisions for the year	337	91	14.962	**15.390**
B.2 Changes due to the passage of time	-	8	-	**8**
B.3 Changes due to changes in the discount rate	-	-	-	**-**
B.4 Other changes	-	-	-	**-**
C. Decreases	**-**	**70**	**18.001**	**18.071**
C.1 Used in the year	-	-	1.902	**1.902**
C.2 Changes due to changes in the discount rate	-	7	-	**7**
C.3 Other changes	-	63	16.099	**16.162**
D. Closing balance	**337**	**218**	**43.328**	**43.883**

10.3 Provisions for credit risk related to commitments and financial guarantees granted

	Provisions for credit risk related to commitments and financial guarantees granted				
	Stage 1	Stage 2	Stage 3	Purchased and/or originated impaired	Total
Loan commitments	1.811	442	-	-	**2.253**
Guarantees granted	482	6	2.361	-	**2.849**
Total	**2.293**	**448**	**2.361**	**-**	**5.102**

At 31 December 2024, this item amounts to 5,1 million Euro, reflecting the impairment losses on irrevocable commitments to disburse funds and financial guarantees granted by the Bank.

10.4 Provisions on other commitments and other guarantees given

Provisions on other commitments and other guarantees given amount to 0,3 million Euro and relate to guarantees of a commercial nature.

10.5 Defined-benefit corporate pension funds

1. Illustration of fund characteristics and related risks

The item includes the provision related to the post-retirement medical plan in favour of certain employees, introduced in the third quarter of 2023: this is a defined benefit plan that provides for healthcare and other benefits to employees, even after retirement.

Specifically, Banca Ifis has provided, for all managerial staff, insurance cover for the reimbursement of medical expenses (RSMO) valid and effective until the age of 85. This cover is therefore in continuity with the cover in place during employment, even after retirement. The only condition for access is the termination of employment with Banca Ifis due to retirement. The policy premium will be borne by the Bank with an annual contribution from the retired manager. Therefore, the Bank is responsible for the costs and risks associated with the provision of such benefits.

2. Changes in net defined benefit liabilities (assets) and redemption rights during the year

The opening balance as at January 2024 of the net defined benefit liabilities was 189 thousand Euro. As at 31 December 2024, this provision increases by a total of 29 thousand Euro to 218 thousand Euro, mainly as a result of provisions accrued during the year.

3. Disclosure of fair value of plan assets

There is no information to be reported in this paragraph.

4. Description of the main actuarial assumptions

For 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 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.

The main actuarial assumptions adopted are as follows:

- discount rate of 3,4%, calculated as an average rate on the basis of the duration of the liquidations and using reference indices on corporate bonds in euro currency and with maturity > 10 years as benchmarks;
- premium inflation rate of 2,3%;
- annual turnover rate of 2,0%;
- frequency of “waiver” (non-payment of the premium component of pensioners) of 2,0%.

5. Information on amount, timing and uncertainty of cash flows

Given that the healthcare benefits are provided through a policy and that they constitute a benefit for the recipients until they reach the age of 85, the obligation subject to discounting under IAS 19 is that relating to the period in retirement and up to the age of 85.

A sensitivity analysis was also conducted on these net defined benefit liabilities, analysing what the amount of the net liabilities would be in the event of:

- a change in the discount rate of +/- 0,5% (50 bps);
- a change in the growth rate of payments to the insurance company of +/- 0,5% (50 bps);
- a change in the inflation rate of +/- 0,5% (50 bps);
- a change in the wage growth rate of +/- 0,5% (50 bps);
- a change in retirement age of +/- 1 year;
- a change in average longevity of +/- 1 year.

The maximum and minimum values of the net defined-benefit liabilities at 31 December 2024 resulting from the aforementioned sensitivities are 252 thousand Euro and 188 thousand Euro, respectively.

6. Multi-employer plans

There is no information to be reported in this paragraph.

7. Defined benefit plans that share risks between entities under common control

There is no information to be reported in this paragraph.

10.6 Provisions for risks and charges - Other provisions

Legal and tax disputes

At 31 December 2024, provisions have been made for 25,6 million Euro for legal and tax disputes in respect of which the Bank is deemed to have a present obligation that may lead to the use of financial resources. Information on the amount of the allocation to the provisions for risks and charges is not provided by individual dispute but by type, both in consideration of the number of disputes and in order to avoid prejudicing the Bank in the evolution of the dispute with the counterparty, either through legal proceedings or settlements. More specifically, the amount mainly breaks down as follows:

- 18,2 million Euro for 24 disputes concerning the Factoring Area (the plaintiffs seek 36,4 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, 14 new disputes were received with a corresponding provision of 3,4 million Euro, while 16 disputes were closed with a total provision of 5,9 million Euro;
- 2,8 million Euro (the plaintiffs seek 6 million Euro in damages) for 13 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. During the year, 5 disputes whose associated provision for risks and charges amounted to 4,8 million Euro were closed, and, in addition, adjustments of 1 million Euro were recorded on disputes still outstanding.
- 3,4 million Euro (the plaintiffs seek 4,1 million Euro in damages) for 6 disputes concerning the Corporate Banking & Lending Area deriving from the former Interbanca. With respect to 31 December 2023, a dispute whose provision for risks and charges amounted to 3,2 million Euro was closed, and a new lawsuit whose provision amounted to 62 thousand Euro was notified;
- 1,1 million Euro (the plaintiffs seek 1,4 million Euro in damages) for 20 disputes concerning the Leasing Area and tax receivables. During 2024, 7 cases were closed with a provision of 87 thousand Euro at 31 December 2023 and 16 new cases were opened with a provision for risks and charges of 156 thousand Euro.

Personnel expenses

At 31 December 2024, provisions are entered for staff for 1,8 million Euro, essentially in line with the December 2023 figure, relating to the Solidarity Fund established in 2020.

Other provisions for risks and charges

As at 31 December 2024, the item "Other provisions" amounts to 15,9 million Euro and increased by 9,4 million Euro compared to the previous year's figure (6,5 million Euro as of 31 December 2023), mainly related to provisions of 7,5 million Euro related to potential risks related to existing disputes on tax credits for superbonus and other building tax bonuses and provisions of 1,6 million Euro arising from guarantees provided in transactions involving the sale of equity instruments and loans. The item also includes 3,3 million Euro for Supplementary Customer Indemnity related to the operations of the Leasing Area.

Contingent liabilities

Here below are the most significant contingent liabilities, in accordance with IAS 37, outstanding at 31 December 2024. Based on the opinion of the legal advisers assisting the Bank, they are considered possible, and therefore they are only disclosed. Such disclosures are not provided with respect to situations where the likelihood of deploying resources capable of producing economic benefits is remote.

The amount sought in association with these contingent liabilities totals 473,9 million Euro at 31 December 2024.

Litigation related to insolvency proceedings

During the fourth quarter of 2022, the Bank 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 Bank, 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 dispute concerning the assumed "permanent establishment" in Italy of the Polish company

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

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

For 2013-2014-2015, both the Court of First Instance and the Court of Taxation of Second Instance fully upheld the Bank’s arguments, rejecting the Revenue Agency's objections.

In the course of 2024, the appeal was notified by the Attorney General’s Office before the Court of Cassation.

For the years 2016 and 2017, the Court of First Instance fully upheld the Bank's appeal. In the course of 2024, the Revenue Agency filed an appeal with the Veneto Court of Second Instance Tax Court.

Tax litigation regarding value added tax (VAT)

Two Notices of Assessment were served for the years 2017 and 2018 in which the Revenue Agency accused the Bank of failing to make payment of VAT on transactions carried out in favour of so-called habitual exporters following the telematic presentation, by the same, of letters of intent.

Both deeds were challenged within the time limits provided for by the legislation, and at the same time one third of the tax was paid pending judgement.

Regarding that described previously, the Bank, 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.

Section 11 - Redeemable shares - Item 120

Item 120 is not present at the reporting date.

11.1 Redeemable shares: breakdown

The item is not present at the reporting date

Section 12 - Equity - Items 110, 130, 140, 150, 160, 170 and 180

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

Item		31.12.2024	31.12.2023
160	Share capital (in thousands of Euro)	53.811	53.811
	Number of ordinary shares	53.811.095	53.811.095
	Nominal amount of ordinary shares	1 euro	1 euro
170	Treasury shares (in thousands of Euro)	(20.971)	(21.817)
	Number of treasury shares	1.238.886	1.343.018

12.2 Share capital - number of shares: annual changes

Items/Types	Ordinary	Other
A. Shares held at the beginning of the year	**53.811.095**	**-**
- fully paid-up	53.811.095	-
- not fully paid-up	-	-
A.1 Treasury shares (-)	(1.343.018)	-
A.2 Outstanding shares: opening balance	**52.468.077**	**-**
B. Increases	**104.132**	**-**
B.1 New issues	-	-
- paid:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free:	-	-
- in favour of employees	-	-
- in favour of directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	104.132	-
C. Decreases	**-**	**-**
C.1 Annulments	-	-
C.2 Buybacks of treasury shares	-	-
C.3 Company sell-offs	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balance	**52.572.209**	**-**
D.1 Treasury shares (+)	1.238.886	-
D.2 Shares held at the end of the year	53.811.095	-
- fully paid-up	53.811.095	-
- not fully paid-up	-	-

Other increases in the number of shares refer to the allocation of shares during the year as part of remuneration mechanisms for the Bank's Top Management, which were included in treasury shares at the start of the year.

12.3 Share capital: other information

The share capital is composed of 53.811.095 ordinary shares with a nominal value of 1 Euro each, bearing no rights, liens and obligations, including those relating to dividend distribution and capital redemption.

12.4 Profit reserves: other information

Items/Components	31.12.2024	31.12.2023
Legal reserve	10.762	10.762
Extraordinary reserve	523.729	514.469
Other reserves	662.796	649.803
Buyback reserve	20.971	21.817
Total profit reserves	**1.218.258**	**1.196.851**
Stock option reserve	2.213	2.058
Other reserves, not “profit reserves”	2.269	2.269
Total reserves item	**1.222.740**	**1.201.178**

Pursuant to Article 1, paragraph 147 of the 2014 Stability Law (Italian Law No. 147 of 27 December 2013) and Article 1, paragraph 704 of the 2020 Budget Law (Italian Law No. 160 of 27 December 2019), the Bank has realigned the spread between the statutory value and tax value on certain properties. The amount corresponding to the higher values following the realignment, net of the substitute tax, generated a 15,3 million Euro untaxed reserve.

In addition, following the 2017 merger of Interbanca S.p.A. into Banca Ifis, Article 172 paragraph 5 of the Consolidated Law on Income Tax required the Bank to restore the merging entity's deferred tax reserves as follows:

- 4,6 million Euro special reserve as per Article 15 paragraph 10 of Italian Law No. 516 of 07/08/82;
- 2,3 million Euro revaluation reserve as per Italian Law No. 408/90.

There are an additional 20,7 million Euro in deferred tax reserves recognised by the Bank and arising from the merger of Interbanca, in accordance with the following laws: No. 576/75, No. 83/72 and No. 408/90, that had been previously recognised as share capital of the latter.

The aforementioned types of reserves are all included in the sub-item "Other revenue reserves" in the table above.

The item "Extraordinary reserve" shows an increase of 9,3 million Euro corresponding to the portion of the profit of 31 December 2023 allocated to reserves.

Disclosure pursuant to Article 2427 paragraph 7-bis of the Civil Code

As required by Article 2427, paragraph 7-bis of the Italian Civil Code, the following table shows the equity items along with the nature, possible use and availability, as well as what has been used in previous years.

Items	Amount at 31.12.2024	Possibility of use (*)	Portion available	Summary of uses during the last three years	
				For loss coverage	For other reasons
Share capital	53.811	-	-	-	-
Share premiums	85.391	A, B, C *(1)*	85.391	-	19.206*(2)*
Reserves:	1.222.740	-	1.177.542	-	-
- Legal reserve	*10.762*	*B*	*10.762*	-	-
- Extraordinary reserve	*523.729*	*A, B, C*	*523.729*	-	-
- of which unavailable share of profits (Art. 6, paragraph 1, letter a) of Legislative Decree No. 38/2005)	*24.379*	*B (3)*	*24.379*	-	-
- Reserves from the application of international accounting standards	*321*	*(4)*	-	-	-
- Reserve for own shares	*20.971*	-	-	-	-
- Reserve for extra profit tax	*23.905*	*(5)*	-	-	-
- Other reserves	*643.051*	*A, B, C*	*643.051*	-	*1.423(6)*
Interim dividends (-)	(63.084)	-	-	-	-
Valuation reserves:	(22.823)	-	-	-	-
- Financial assets measured at fair value through other comprehensive income	*(23.281)*	*(7)*	-	-	-
- Actuarial gains (losses) related to defined benefit plans	*458*	-	-	-	-
Treasury shares (-)	(20.971)	-	-	-	-
Total Capital and Reserves	**1.255.064**		**1.262.933**	**-**	**-**
Non-distributable portion			**59.046**		

(*) A = to increase capital, B = to cover losses, C = for distribution to shareholders.
(1) The share premium reserve is available and distributable as the legal reserve has reached one fifth of the share capital.
(2) Establishment of the reserve for the purchase of treasury shares.
(3) Non-distributable portion of profits pursuant to Article 6, paragraph 1, letter a) of Legislative Decree No. 38/2005. The reserve may only be used to cover losses after the available reserves have been used and must be replenished at a later date.
(4) The item includes 2,5 million Euro in reserves deriving from the first time adoption of accounting standard IFRS 9 (FTA), net of the related tax effects, of which: 1,0 million Euro due to the FTA IFRS 9 effect on Banca Ifis and 1,5 million Euro for the FTA IFRS 9 effect on the former Ifis Leasing, merged by incorporation into Banca Ifis in 2018.
(5) Reserve set aside as an alternative to the payment of extraordinary tax 2023 following the introduction of Article 26 of Decree-Law No. 104 of 10 August 2023, converted, with amendments, by Law No. 136 of 9 October 2023. The reserve is tied up pursuant to Decree-Law no. 104/2023 converted with amendments by Law 136/2023. If the reserve is distributed (even partially) to shareholders, the entire tax must be paid.
(6) The share included in utilisations refers to allocations linked to the staff incentive scheme.
(7) The reserve, where positive, is restricted pursuant to Article 6 of Italian Legislative Decree No. 38/2005.

As at 31 December 2024, the non-distributable portion of 59 million Euro was attributable to:

- 10,8 million Euro to the legal reserve pursuant to Art. 2430 of the Italian Civil Code;
- 23,9 million Euro to the extra-profits reserve pursuant to paragraph 5-bis of Law No. 136/2023;
- 24,4 million Euro to the non-distributable portion of profits pursuant to Article 6, paragraph 1, letter a) of Legislative Decree No. 38/2005.

With reference to the extraordinary tax on the "extra-profits" of banks under Law No. 136/2023, it should be noted that the corresponding allocation to reserves, resolved by the Shareholders' Meeting on 18 April 2024, amounts to 23,9 million Euro. Finally, it should be noted that the provision of the last part of paragraph 5-bis of Italian Law No.

136/2023 determines an obligation to be considered new and autonomous and consisting in the maintenance of the non-distributable restriction on the reserve recorded on the financial statements. In this regard, the directors currently confirm their intention not to proceed with any distribution of the reserve.

12.5 Equity instruments: breakdown and annual changes

The case does not exist.

12.6 Other information

With reference to valuation reserves, please refer to the details in “Part F - Information on equity”.

Other information

1. Commitments and financial guarantees granted (other than those measured at fair value)

	Nominal amount of commitments and financial guarantees granted				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3	Purchased and/or originated impaired		
1. Loan commitments	**965.052**	**20.699**	**13.214**	**-**	**998.965**	**1.099.994**
a) Central Banks	-	-	-	-	**-**	-
b) Public Administrations	-	-	-	-	**-**	1
c) Banks	122.741	-	-	-	122.741	135.235
d) Other financial companies	360.798	2	2.616	-	363.416	410.277
e) Non-financial companies	471.122	20.379	10.280	-	501.781	542.206
f) Households	10.391	318	318	-	11.027	12.275
2. Guarantees granted	**102.473**	**14.971**	**5.616**	**-**	**123.060**	**214.021**
a) Central Banks	-	-	-	-	**-**	-
b) Public Administrations	-	-	-	-	**-**	-
c) Banks	-	-	-	-	**-**	-
d) Other financial companies	35	-	-	-	35	4.815
e) Non-financial companies	101.038	14.971	5.616	-	121.625	207.385
f) Households	1.400	-	-	-	1.400	1.821

2. Other commitments and guarantees granted

	Nominal amount	
	31.12.2024	31.12.2023
1. Other guarantees granted	**42.922**	**32.688**
of which: non-performing	*1.683*	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	42.922	32.688
f) Households	-	-
2. Other commitments	**68.536**	**56.930**
of which: non-performing	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	65.536	53.011
e) Non-financial companies	3.000	3.919
f) Households	-	-

3. Assets used as collateral for own liabilities and commitments

Portfolios	31.12.2024	31.12.2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	168.604	513.461
3. Financial assets measured at amortised cost	2.184.897	2.793.189
4. Property, plant and equipment	-	-
- of which: property, plant and equipment qualifying as inventories	-	-

Financial assets at fair value through other comprehensive income, just like financial assets measured at amortised cost, respectively for 58,9 million Euro and 1.315,3 million Euro, refer to government securities guaranteeing loans on the Eurosystem. The rest of the financial assets measured at amortised cost refer to bank deposits backing derivative transactions.

4. Administration and mediation on behalf of third parties

Type of services	Amount
1. Execution of orders on behalf of clients	**-**
a) purchases	-
1. settled	-
2. unsettled	-
b) sales	-
1. settled	-
2. unsettled	-
2. Individual portfolio management	**-**
3. Safekeeping and administration of securities	**5.033.263**
a) third party securities in custody: associated with depositary bank services (excluding portfolio management)	-
1. securities issued by the reporting bank	-
2. other securities	-
b) other third party securities in custody (excluding portfolio management): other	464.266
1. securities issued by the reporting bank	-
2. other securities	464.266
c) third party securities held with third parties	380.972
d) own securities held with third parties	4.568.997
4. Other transactions	**-**

5. Financial assets subject to on-balance sheet netting, or subject to master netting agreements or similar arrangements

The case does not exist.

6. Financial liabilities subject to on-balance sheet netting, or subject to master netting agreements or similar arrangements

The case does not exist.

7. Securities lending transactions

The case does not exist.

8. Disclosure of joint operations

The case does not exist.

Part C - Income statement

Section 1 - Interest - Items 10 and 20

1.1 Interest receivable and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31.12.2024	Total 31.12.2023
1. Financial assets measured at fair value through profit or loss:	**7.037**	**333**	**-**	**7.370**	**4.376**
1.1. Financial assets held for trading	6	-	-	6	2
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets mandatorily measured at fair value	7.031	333	-	7.364	4.374
2. Financial assets measured at fair value through other comprehensive income	**11.487**	**-**	**X**	**11.487**	**13.704**
3. Financial assets measured at amortised cost:	**101.190**	**483.324**	**-**	**584.514**	**534.880**
3.1. Receivables due from banks	21.789	28.977	X	50.766	46.843
3.2. Receivables due from customers	79.401	454.347	X	533.748	488.037
4. Hedging derivatives	**X**	**X**	**2.468**	**2.468**	**1.449**
5. Other assets	**X**	**X**	**7.674**	**7.674**	**9.222**
6. Financial liabilities	**X**	**X**	**X**	**-**	**-**
Total	**119.714**	**483.657**	**10.142**	**613.513**	**563.631**
of which: interest income on impaired financial assets	-	*19.160*	-	*19.160*	*10.520*
of which: interest income on financial leases	X	*88.865*	X	*88.865*	*82.243*

As for "Financial assets measured at fair value through profit or loss", the amounts refer to debt securities and loans that failed the SPPI test, as per IFRS 9, whereas in the case of "Financial assets measured at fair value through other comprehensive income", the reported amounts are almost exclusively related to the securitisations.

Interest income on receivables due from customers measured at amortised cost relating to debt securities relates to securitised securities in the amount of about 36 million Euro, government securities in the amount of 36,9 million Euro, and the remainder relates to other securities held in the portfolio.

The item "Hedging derivatives" in the column "Other transactions" shows the positive or negative amount of differentials or margins accrued on the aforementioned derivatives that correct the interest income component recognised on the hedged financial instruments (in the case in point, these are certain government securities valued at amortised cost hedged with a micro fair value hedge strategy).

Interest income on impaired financial assets mainly refers to impaired assets related to the National Health System (16,2 million Euro).

1.2 Interest receivable and similar income: other information

1.2.1 Interest income on foreign currency financial assets

	31.12.2024	31.12.2023
Interest income on foreign currency financial assets	5.916	5.348

1.3 Interest due and similar expenses: breakdown

Items/Technical forms	Payables	Securities	Other transactions	31.12.2024	31.12.2023
1. Financial liabilities measured at amortised cost	(317.184)	(95.656)	X	(412.840)	(324.428)
1.1 Payables due to central banks	(26.961)	X	X	(26.961)	(67.566)
1.2 Payables due to banks	(41.797)	X	X	(41.797)	(41.464)
1.3 Payables due to customers	(248.426)	X	X	(248.426)	(148.833)
1.4 Debt securities issued	X	(95.656)	X	(95.656)	(66.565)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(28)	(28)	(5)
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	(252)	(109)
Total	**(317.184)**	**(95.656)**	**(28)**	**(413.120)**	**(324.542)**
of which: interest expense on lease payables	*(482)*	X	X	*(482)*	*(402)*

The item was affected by the reshaping of the Bank's funding sources, driven by the repayment of TLTRO lines and replaced by more expensive forms of funding. More specifically interest expense on payables to customers comes to 248,4 million Euro at 31 December 2024, of which 172,4 million Euro relate to retail funding deriving mainly from the Rendimax savings account and the time deposit (93,2 million Euro in 2023).

Interest expense from central banks decreases by approximately 40,6 million Euro due to the total repayment of TLTRO lines, offset by the growth in interest expense from securities issued by the Bank (+29,1 million Euro compared to December 2023).

1.4 Interest due and similar expenses: other information

1.4.1 Interest expense on foreign currency liabilities

	31.12.2024	31.12.2023
Interest expense on foreign currency liabilities	(4.784)	(5.090)

1.5 Hedging differentials

Items	Total 31.12.2024	Total 31.12.2023
A. Positive differentials on hedging transactions	13.882	7.243
B. Negative differentials on hedging transactions	11.414	5.794
C. Balance (A-B)	**2.468**	**1.449**

Section 2 – Commissions – Items 40 and 50

2.1 Commission income: breakdown

Type of services/Amounts	31.12.2024	31.12.2023
a) Financial instruments	-	-
1. Placement of securities	-	-
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	-	-
2. Receipt and transmission of orders and execution of orders on behalf of customers	-	-
2.1 Receipt and transmission of orders for one or more financial instruments	-	-
2.2 Execution of orders on behalf of clients	-	-
3. Other commissions related to activities linked to financial instruments	-	-
of which: trading on own account	-	-
of which: individual portfolio management	-	
b) Corporate finance	**23**	**253**
1. Mergers and acquisitions advisory services	-	-
2. Treasury services	-	-
3. Other commissions related to corporate finance services	23	253
c) Investment advisory activities	**-**	-
d) Clearing and settlement	**-**	-
e) Custody and administration	**-**	-
1. Depository bank	-	-
2. Other commissions related to custody and administration activities	-	-
f) Central administrative services for collective portfolio management	**-**	-
g) Fiduciary activities	**-**	-
h) Payment services	**1.035**	**1.197**
1. Current accounts	624	697
2. Credit cards	-	-
3. Debit cards and other payment cards	42	91
4. Bank transfers and other payment orders	64	93
5. Other fees related to payment services	305	316
i) Distribution of third-party services	**4.144**	**4.681**
1. Collective portfolio management	-	-
2. Insurance products	4.144	4.681
3. Other products	-	-
of which: individual portfolio management	-	-
j) Structured finance	**-**	**-**
k) Servicing for securitisation transactions	**-**	**-**
l) Loan commitments	**-**	**-**
m) Guarantees granted	**2.522**	**1.566**
of which: credit derivatives	-	-
n) Loans	**86.014**	**87.170**
of which: for factoring transactions	*57.073*	*62.472*
o) Trading in currencies	**-**	**-**
p) Commodities	**-**	**-**
q) Other commission income	**2.710**	**3.834**
of which: for management of multi-lateral trading facilities	-	-
of which: for management of organised trading facilities	-	-
Total	**96.448**	**98.701**

Commissions linked to financing operations amount to 86 million Euro, essentially in line with the trend seen in the previous year (-1,3%). This trend saw the commission component linked to factoring slow down against an increase in mortgages.

Commissions related to the distribution of insurance products recorded at the end of 2024 include approximately 3,4 million Euro (4,1 million Euro at the end of 2023) related to the operations of the Leasing Area.

2.2 Commission income: distribution channels of products and services

Channels/Amounts	31.12.2024	31.12.2023
a) At own branches:	**-**	**-**
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-
b) Out-of-office offer:	**-**	**-**
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-
c) Other distribution channels:	**4.144**	**4.681**
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	4.144	4.681
Total	**4.144**	**4.681**

2.3 Commission expense: breakdown

Services/Amounts	31.12.2024	31.12.2023
a) Financial instruments	**(362)**	**(269)**
of which: trading in financial instruments	*(362)*	*(269)*
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Own	-	-
- Delegated to third parties	-	-
b) Clearing and Settlement	**-**	**-**
c) Custody and administration	**(181)**	**(176)**
d) Collection and payment services	**(243)**	**(232)**
of which: credit cards, debit cards and other payment cards	-	-
e) Servicing for securitisation transactions	**-**	**-**
f) Loan commitments	**-**	**-**
g) Financial guarantees received	**(469)**	**(896)**
of which: credit derivatives	-	-
h) Out-of-office canvassing of financial instruments, services and products	**(4.035)**	**(2.358)**
i) Trading in currencies	**-**	**-**
j) Other commissions payable	**(6.850)**	**(6.888)**
Total	**(12.140)**	**(10.819)**

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

Items/Income	31.12.2024		31.12.2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	1.852	-	2.818
C. Financial assets measured at fair value through other comprehensive income	10.691	-	13.354	-
D. Equity investments	82.000	-	89.000	-
Total	**92.691**	**1.852**	**102.354**	**2.818**

Item "C" is attributable to dividends received on equities held in the FVOCI portfolio. In particular, 2,3 million Euro relate to dividends from the investment in the Bank of Italy.

Item "D" comprises 72,0 million Euro in dividends received from the subsidiary Ifis Npl Investing S.p.A. (89 million Euro in 2023) and 10,0 million Euro from Ifis Rental Services S.r.l..

Section 4 – Net profit (loss) from trading – Item 80

4.1 Net profit (loss) from trading: breakdown

Transactions/Income items	Capital gains (A)	Profit from trading (B)	Capital losses (C)	Losses from trading (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	**-**	**743**	**-**	**(50)**	**693**
1.1 Debt securities	-	453	-	(39)	414
1.2 Equity instruments	-	290	-	(11)	279
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and financial liabilities: exchange differences	**X**	**X**	**X**	**X**	**(179)**
4. Derivatives	**48.448**	**12.549**	**(36.710)**	**(22.862)**	**1.425**
4.1. Financial derivatives:	48.448	12.549	(36.710)	(22.862)	1.425
- On debt securities and interest rates	23.261	4.414	(10.928)	(14.055)	2.692
- On equity instruments and share indexes	25.187	8.135	(25.782)	(8.807)	(1.267)
- On currencies and gold	X	X	X	X	-
- Other	-	-	-	-	-
4.2 Derivatives on loans	-	-	-	-	-
Of which: natural hedges connected to the fair value option	*X*	*X*	*X*	*X*	-
Total	**48.448**	**13.292**	**(36.710)**	**(22.912)**	**1.939**

Section 5 – Net result from hedging – Item 90

5.1 Net result from hedging: breakdown

Income components/Values	Total 31.12.2024	Total 31.12.2023
A. Income related to:		
A.1 Fair value hedging derivatives	2.231	-
A.2 Financial assets hedged (fair value)	168	12.613
A.3 Financial liabilities hedged (fair value)	-	-
A.4 Cash flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income from hedges (A)	**2.399**	**12.613**
B. Charges relating to:		
B.1 Fair value hedging derivatives	(977)	(12.713)
B.2 Financial assets hedged (fair value)	(2.562)	-
B.3 Financial liabilities hedged (fair value)	-	-
B.4 Cash flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total charges from hedges (B)	**(3.539)**	**(12.713)**
C. Net result from hedging (A - B)	**(1.140)**	**(100)**
of which: result of hedges of net positions	-	-

The net negative result of hedging activities as at 31 December 2024 amounts to -1,1 million Euro (-0,1 million Euro at the end of 2023) and included the results of the micro-fair value hedge on interest rate risk related to securities held by the Bank started in the second half of 2023.

The main types of items hedged are, at the reference date of the Financial Statements, debt securities and equity securities on the asset side. They are hedged in micro fair value hedge relationships, using interest rate swaps (IRS) and put and call options as hedging instruments.

Section 6 - Profit (loss) from sale or buyback - Item 100

6.1 Profit (loss) from sale or buyback: breakdown

Items/Income items	31.12.2024			31.12.2023		
	Profit	Losses	Net result	Profit	Losses	Net result
A. Financial assets						
1. Financial assets measured at amortised cost	17.767	(1.169)	16.598	2.735	(208)	2.527
1.1 Receivables due from banks	10.948	(458)	10.490	-	-	-
1.2 Receivables due from customers	6.819	(711)	6.108	2.735	(208)	2.527
2. Financial assets measured at fair value through other comprehensive income	10.425	(2.221)	8.204	4.333	(1.677)	2.656
2.1 Debt securities	10.425	(2.221)	8.204	4.333	(1.677)	2.656
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**28.192**	**(3.390)**	**24.802**	**7.068**	**(1.885)**	**5.183**
B. Financial liabilities measured at amortised cost						
1. Payables due to banks	-	-	-	-	-	-
2. Payables due to customers	-	-	-	-	-	-
3. Debt securities issued	86	(22)	64	1.099	(72)	1.027
Total liabilities (B)	**86**	**(22)**	**64**	**1.099**	**(72)**	**1.027**

Net gains on the sale or repurchase of financial assets and liabilities total 24,9 million Euro as at 31 December 2024 (net gains of 6,2 million Euro as at 31 December 2023), in particular 25,1 million Euro were generated by the disposals of debt securities recorded in 2024 (4,8 million Euro in 2023), of which 10,5 million Euro related to bank debt securities and 12,6 million Euro to government securities.

Section 7 - Net result of financial assets and liabilities at fair value through profit or loss - Item 110

7.1 Net change in other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

The case does not exist.

7.2 Net change in other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets mandatorily measured at fair value

Transactions/Income items	Capital gains (A)	Gains on sale (B)	Capital losses (C)	Losses on sale (D)	Net result [(A+B)-(C+D)]
1. Financial assets	**24.160**	**6.668**	**(5.490)**	**(1.294)**	**24.044**
1.1 Debt securities	2.655	334	(720)	(1.132)	1.137
1.2 Equity instruments	11.854	6.334	(1.363)	(3)	16.822
1.3 UCITS units	9.494	-	(3.073)	-	6.421
1.4 Loans	157	-	(334)	(159)	(336)
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**24.160**	**6.668**	**(5.490)**	**(1.294)**	**24.044**

Section 8 - Net credit risk losses/reversals - Item 130

8.1 Net credit risk losses related to financial assets measured at amortised cost: breakdown

Transactions/ Income components	Losses						Reversals				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
			Write-offs	Other	Write-offs	Other						
A. Receivables due from banks	**(18)**	**-**	**-**	**-**	**-**	**-**	**676**	**-**	**-**	**-**	**658**	**275**
- Loans	(18)	-	-	-	-	-	-	-	-	-	(18)	(28)
- Debt securities	-	-	-	-	-	-	676	-	-	-	676	303
B. Receivables due from customers	**(3.192)**	**(2.159)**	**(10.498)**	**(77.191)**	**-**	**-**	**10.481**	**5.322**	**39.516**	**3.186**	**(34.535)**	**(55.169)**
- Loans	(3.192)	(2.159)	(10.498)	(76.197)	-	-	9.285	5.322	39.516	3.186	(34.737)	(55.745)
- Debt securities	-	-	-	(994)	-	-	1.196	-	-	-	202	576
Total	**(3.210)**	**(2.159)**	**(10.498)**	**(77.191)**	**-**	**-**	**11.157**	**5.322**	**39.516**	**3.186**	**(33.877)**	**(54.894)**

Net credit risk losses relative to financial assets measured at amortised cost total 33,9 million Euro at 31 December 2024, down (-38,3%) on the net adjustments recorded at end 2023 (54,9 million Euro).

8.2 Net credit risk losses related to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/ Income components	Losses						Reversals				Total 31.12.2024	Total 31.12.2023
	Stage 1	Stage 2	Stage 3		Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
			Write-off	Other	Write-off	Other						
A. Debt securities	**(95)**	**(176)**	**-**	**-**	**-**	**-**	**754**	**-**	**-**	**-**	**483**	**(80)**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(95)**	**(176)**	**-**	**-**	**-**	**-**	**754**	**-**	**-**	**-**	**483**	**(80)**

Section 9 - Gains/losses on contractual modifications without derecognition

Item 140 is not present at the reporting date.

9.1 Profit (loss) from contractual changes: breakdown

The case does not exist.

Section 10 - Administrative expenses - Item 160

10.1 Personnel expenses: breakdown

Type of expense/Sectors	31.12.2024	31.12.2023
1) Employees	(123.776)	(120.152)
a) salaries and wages	(87.204)	(84.053)
b) social security contributions	(23.494)	(22.613)
c) post-employment benefits	(2.455)	(2.270)
d) pension expense	-	-
e) allocations for post-employment benefits	(3.095)	(2.790)
f) allocations to pensions and similar provisions:	(99)	(217)
- defined contribution plans	-	-
- defined benefit plans	(99)	(217)
g) payments made to supplementary external funds:	(1.688)	(1.567)
- defined contribution plans	(1.688)	(1.567)
- defined benefit plans	-	-
h) costs arising from share-based payment agreements	(155)	(1.108)
i) other employee benefits	(5.586)	(5.534)
2) Other serving employees	(242)	(226)
3) Directors and Statutory Auditors	(5.319)	(5.090)
4) Retired personnel	-	-
5) Recovery of expenses for seconded personnel	3.766	3.783
6) Reimbursement of expenses for seconded third-party employees at the Company	(1.716)	(1.581)
Total	**(127.287)**	**(123.266)**

Personnel expenses, amounting to 127,3 million Euro, increase by 3,3% (123,3 million Euro at 31 December 2023), which can be attributed to the increase in personnel, higher variable remuneration as well as incremental costs pertaining to 2024 linked to the renewal of the National Collective Bargaining Agreement (NCBA) for bank employees. The number of Bank employees at 31 December 2024 is 1.428 as compared with 1.350 resources at 31 December 2023.

"Allocations for post-employment benefits" include both contributions that employees have chosen to leave in the company and to be paid to INPS's Treasury Fund, and contributions to be paid to supplementary pension funds, as well as the interest expense on the defined benefit obligation.

The sub-items "allocations for post-employment benefits" and "allocations to pensions and similar provisions - defined benefit" also include interest accrued during the year due to the passage of time.

10.2 Average number of employees by category

Employees	31.12.2024	31.12.2023
Employees:	**1.387**	**1.331**
a) managers	88	88
b) middle managers	543	509
c) other employees	756	735
Other personnel	-	-

10.3 Defined-benefit corporate pension funds: costs and revenues

The balance at 31 December 2024 of provisions for defined-benefit corporate pension funds amounts to 99 thousand Euro (217 thousand Euro at 31 December 2023, the year it was first recorded). For more information on defined-benefit pension funds, refer to "Section 10 - Provisions for risks and charges - Item 100", paragraph “10.5 Defined-benefit corporate pension funds”.

10.4 Other employee benefits

Other employee benefits at 31 December 2024 amount to 5,6 million Euro, essentially in line with the previous year's figure. The amount essentially relates to sickness benefit contributions of approximately 2,7 million Euro, contributions for meal vouchers for 1,7 million Euro and training expenses of 1,2 million Euro.

10.5 Other administrative expenses: breakdown

OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	31.12.2024	31.12.2023
Expenses for professional services	**(41.356)**	**(40.357)**
Legal and consulting services	(39.031)	(38.253)
Auditing	(587)	(519)
Outsourced services	(1.738)	(1.585)
Direct and indirect taxes	**(14.865)**	**(14.045)**
Expenses for purchasing goods and other services	**(69.149)**	**(69.823)**
Software assistance and hire	(20.018)	(17.112)
Advertising and inserts	(11.022)	(13.018)
Interbank Deposit Protection Fund (FITD) and Resolution fund	(7.945)	(10.834)
Property expenses	(6.964)	(6.492)
Business travel and transfers	(5.243)	(3.989)
Customer information	(3.460)	(3.997)
Telephone and data transmission expenses	(3.268)	(2.987)
Car fleet management and maintenance	(3.109)	(2.847)
Securitisation costs	(1.117)	(703)
Postage and archiving of documents	(728)	(861)
Other sundry expenses	(6.275)	(6.983)
Total other administrative expenses	**(125.370)**	**(124.225)**

Other administrative expenses as at 31 December 2024 amounting to 125,4 million Euro are substantially in line (+0,9%) with the previous year's balance (amounting to 124,2 million Euro).

“Legal and consulting services" expenses amount to 39,0 million Euro at 31 December 2024 (+2,0% compared to the previous year), mainly referring to judicial collection activities for non-performing loans, and consulting activities related to the implementation of the Bank's strategic projects.

"Direct and indirect taxes" amount to 14,9 million Euro and consist mainly of stamp duty in the amount of 13,2 million Euro (+1,2 million Euro with the figure at the end of 2023), the charge of which to customers is included in “Other operating income”.

“Expenses for purchasing goods and other services” amount to 69,1 million Euro, down 1,0% from the 69,8 million Euro at 31 December 2023. In particular, it is pointed out that:

- costs for software support and rental increase by 17% compared to FY 2023; this increase is due almost entirely to increased support for the Bank's software;
- charges related to the banking system amount to 7,9 million Euro and are lower than the 10,8 million recorded for 2023. In the financial year, in fact, the contribution to the Single Resolution Fund (amounting to 4,1 million Euro in 2023) was not required as the accumulation plan target in 2023 was reached.
- advertising and publicity expenses amount to 11,0 million Euro as at 31 December 2024, compared to 13,0 million Euro as at December 2023; last year had been affected by the launch of new advertising campaigns for the 40th anniversary of Banca Ifis's foundation;
- travel and subsistence costs increase by approximately 1,3 million Euro compared to the December 2023 figure.

Section 11 - Net allocations to provisions for risks and charges - Item 170

11.1 Net allocations to provisions for credit risk related to loan commitments and financial guarantees granted: breakdown

Net allocations to provisions for credit risk relating to commitments to disburse funds and financial guarantees issued reflect the risk estimates on commitments undertaken and as at 31 December 2024 have a positive balance of 80 thousand Euro.

11.2 Net allocations to provisions for other commitments and other guarantees given: breakdown

Net allocations to provisions for other commitments and other guarantees given, amounting to 337 thousand Euro, reflect guarantees of a commercial nature.

11.3 Net allocations to other provisions for risks and charges: breakdown

For more details, see Part B, "Section 10 - Provisions for risks and charges" in these individual Notes.

Section 12 - Net credit risk losses/reversals on property, plant and equipment - Item 180

12.1 Net credit risk losses on property, plant and equipment: breakdown

Assets/Income items	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a + b - c)
A. Property, plant and equipment				
1. for functional use	(11.093)	-	-	(11.093)
- Owned	(6.628)	-	-	(6.628)
- Rights of use acquired through leases	(4.465)	-	-	(4.465)
2. Held for investment	-	(17)	-	(17)
- Owned	-	(17)	-	(17)
- Rights of use acquired through leases	-	-	-	-
3. Inventories	X	-	-	-
Total	**(11.093)**	**(17)**	**-**	**(11.110)**

Section 13 - Net impairment losses/reversals on intangible assets - Item 190

13.1 Net impairment losses on intangible assets: breakdown

Assets/Income items	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a + b - c)
A. Intangible assets				
of which: software	*(9.382)*	-	-	*(9.382)*
A.1 Owned	(9.382)	-	-	(9.382)
- Internally generated	(366)	-	-	(366)
- Other	(9.016)	-	-	(9.016)
A.2 Rights of use acquired through leases	-	-	-	-
Total	**(9.382)**	**-**	**-**	**(9.382)**

Section 14 - Other operating income (costs) - Item 200

14.1 Other operating costs: breakdown

Type of expense/Amounts	31.12.2024	31.12.2023
a) Transactions with customers	(103)	(102)
b) Capital losses	(26)	(13)
c) Other expenses	(730)	(1.130)
Total	**(859)**	**(1.245)**

14.2 Other operating income: breakdown

Amounts/Income	31.12.2024	31.12.2023
a) Recovery of third party expenses	15.505	13.897
b) Rental income	1.201	1.167
c) Income from the realisation of property, plant and equipment	105	215
d) Other income	38.662	28.023
Total	**55.473**	**43.302**

Other income and expenses at 31 December 2024 show a net positive balance of 54,6 million Euro, an increase of 29,9% from the previous year. The item mainly includes revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses (legal expenses and indirect taxes), as well as recoveries of expenses associated with leasing operations.

Section 15 – Profit (loss) on equity investments – Item 220

15.1 Analysis of profit (loss) on equity investments

Income components/Values	31.12.2024	31.12.2023
A. Income	-	-
1. Revaluations	-	-
2. Gains on sale	-	-
3. Reversals	-	-
4. Other income	-	-
B. Expenses	(3.017)	(3.740)
1. Write-downs	-	-
2. Impairment losses	(3.017)	(3.740)
3. Losses on sale	-	-
4. Other expenses	-	-
Net result	**(3.017)**	**(3.740)**

The value adjustments recorded in both 2024 and 2023 refer entirely to the investment in Cap.Ital.Fin. S.p.A. and reflect the impairment applied.

Section 16 - Net profit (loss) from fair value measurement of property, plant and equipment and intangible assets - Item 230

Item 230 is not present at the reporting date.

Section 17 - Value adjustments of goodwill - Item 240

Item 240 is not present at the reporting date.

Section 18 - Profit (Loss) from sale of investments - Item 250

18.1 Profit (Loss) from sale of investments: breakdown

At 31 December 2024, as in the previous year, there are no gains or losses on the disposal of investments.

Section 19 - Income taxes for the year relating to current operations - Item 270

19.1 Income taxes for the year relating to current operations: breakdown

Income items/Sectors	31.12.2024	31.12.2023
1. Current taxes (-)	(9.138)	(8.799)
2. Changes in current taxes of previous years (+/-)	2.749	1.395
3. Reductions in current taxes for the year (+)	-	-
3.*bis* Reduction in current taxes for the year for tax credits as per Italian Law No. 214/2011 (+)	26.788	-
4. Changes in deferred tax assets (+/-)	(54.821)	(22.127)
5. Changes in deferred tax liabilities (+/-)	2.723	719
6. Tax expense for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(31.699)	(28.812)

19.2 Reconciliation between theoretical tax charges and effective tax charges for the year

Items/Components	31.12.2024	31.12.2023
Pre-tax profit (loss) for the period from continuing operations	**171.002**	**172.216**
IRES - theoretical tax charges (27,5%)	(47.026)	(47.359)
- effect of non-taxable income and other decreases - permanent	28.880	34.206
- effect of non-deductible charges and other increases - permanent	(4.715)	(5.610)
- non-current corporate income tax (IRES)	(74)	504
IRES - Effective tax charges	**(22.935)**	**(18.259)**
IRAP - theoretical tax charges (5,57%)	(9.525)	(9.592)
- effect of income/charges that are not part of the taxable base	(2.063)	(1.853)
- non-current corporate income tax (IRAP)	2.824	892
IRAP - Effective tax charges	**(8.764)**	**(10.553)**
Effective tax charges for the year	**(31.699)**	**(28.812)**

The tax rate for FY 2024 is 18,54%, compared to 16,73% in the prior year. The effective tax rate is below the theoretical tax rate of 33,07% (27,5% IRES + 5,57% IRAP) primarily due to the benefits generated by the partial taxation of dividends received by the Bank, 95% of which are excluded from IRES taxation and 50% from IRAP taxation.

Section 20 - Profit (Loss) from discontinued operations after tax - Item 290

Item 290 is not present at the reporting date.

Section 21 - Other information

21.1 Disclosure of government grants as per Article 1, paragraph 125 of Italian Law No. 124 of 4 August 2017 (the “Annual Law on the Market and Competition”)

Italian Law No. 124 of 4 August 2017 (Annual Market and Competition Law), under Art. 1, paragraphs 125-129, introduced various measures aimed at increasing the transparency of contributions by administrations and public companies, including listed, in the favour of third sector subjects and businesses in general.

Specifically, with respect to the financial reporting process, the law requires all businesses to disclose subsidies, grants, paid positions, and economic benefits of any kind received from the following entities in the notes to the Annual Financial Statements:

- public administrations and entities with equivalent status (Article 2-bis, Italian Legislative Decree No. 33/2013);
- entities owned, either de jure or de facto, directly or indirectly, by public administrations; and
- state-owned enterprises.

Said disclosures are required if the amounts received during the reporting period exceeded 10 thousand Euro. Consistently with the clarification issued by Italy's Council of State with opinion No. 1.149 of 1 June 2018 and the guidance provided by trade associations (Assonime), the disclosure requirements do not apply to the following:

- prices for the business provision of professional and other services and supplies or other appointments coming under the scope of the core business. Indeed, these amounts received do not come under the scope of donations/public support policies;
- tax expenditures available to all businesses that meet specific conditions, based on pre-established general requirements, which are also the subject of specific disclosures;
- extension of subsidised loans to customers, as these involve funds of third parties (e.g. interest rate subsidies from the public administration) and not funds of the bank that acts as intermediary.

For information on subsidies, contributions, paid assignments and economic advantages of any kind received by the Bank, please refer to the National Register of State Aid, "Transparency" section.

Section 22 - Earnings per share

22.1 Average number of ordinary diluted shares

Earnings per share and diluted earnings per share	31.12.2024	31.12.2023
Net profit (in thousands of Euro)	139.303	143.404
Average number of outstanding shares (1)	52.529.787	52.456.037
Average number of diluted shares	53.383.843	52.567.897
Earnings per share (units of Euro)	**2,65**	**2,73**
Diluted earnings per share (units of Euro)	**2,61**	**2,73**

(1) The average number of outstanding shares is to be understood net of the average number of treasury shares held in the portfolio.

22.2 Other information

There is no further information to report.

Part D - Statement of comprehensive income

ITEMS (in thousands of Euro)		31.12.2024	31.12.2023
10.	**Profit (Loss) for the year**	**139.303**	**143.404**
	Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**(3.756)**	**(4.506)**
20.	Equity securities measured at fair value through other comprehensive income	(2.441)	(2.746)
	a) fair value gains (losses)	8.579	1.045
	b) transfers to other components of equity	(11.021)	(3.791)
40.	Hedging of equity securities measured at fair value through other comprehensive income	(180)	-
	a) fair value gains (losses) (hedged instrument)	(1.375)	-
	b) transfers to other components of equity (hedging instrument)	1.195	-
70.	Defined benefit plans	254	(55)
100.	Income taxes related to other comprehensive income to be reclassified to profit or loss	(1.389)	(1.705)
	Other comprehensive income, net of taxes, to be reclassified to profit or loss	**2.393**	**16.821**
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income:	3.813	25.093
	a) fair value gains (losses)	(7.961)	21.044
	b) reclassification to profit or loss	11.774	4.049
	- credit risk losses	(483)	80
	- gains/losses on sale	12.257	3.969
	c) other changes	-	-
180.	Income taxes related to other comprehensive income to be reclassified to profit or loss	(1.420)	(8.272)
190.	**Total other comprehensive income**	**(1.363)**	**12.315**
200.	**Total comprehensive income (Item 10 + 190)**	**137.939**	**155.719**

Part E - Information on risks and related hedging policies

Background

This Part of the Notes includes quantitative information on risks referring to Banca Ifis S.p.A. For qualitative information on the risk management and monitoring process, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Section 1 - Credit risk

Qualitative information

For qualitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Quantitative information

A. Credit quality

A.1 Non-performing and performing credit exposures: amounts, impairment losses, trend, and economic breakdown

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amounts)

Portfolio/Quality	Bad loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	33.642	126.866	49.387	166.125	9.705.175	10.081.195
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	544.936	544.936
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	1.194	-	-	68.095	69.289
5. Financial assets under disposal	-	-	-	-	-	-
Total 31.12.2024	**33.642**	**128.060**	**49.387**	**166.125**	**10.318.206**	**10.695.420**
Total 31.12.2023	**25.548**	**109.438**	**99.430**	**205.901**	**10.123.734**	**10.564.051**

Excluded from this table are on-demand receivables from banks (which are classified under the item "Cash and cash equivalents", in accordance with Bank of Italy instructions), equity securities and UCITS units.

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

Portfolio/Quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Overall impairment losses/reversals	Net exposure	Overall partial write-offs (1)	Gross exposure	Overall impairment losses/reversals	Net exposure	
1. Financial assets measured at amortised cost	407.442	197.547	209.895	2.074	9.935.505	64.205	9.871.300	10.081.195
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	545.617	681	544.936	544.936
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	1.194	-	1.194	-	X	X	68.095	69.289
5. Financial assets under disposal	-	-	-	-	-	-	-	-
Total 31.12.2024	**408.636**	**197.547**	**211.089**	**2.074**	**10.481.122**	**64.886**	**10.484.331**	**10.695.420**
Total 31.12.2023	**407.081**	**172.665**	**234.416**	**3.112**	**10.350.146**	**106.443**	**10.329.635**	**10.564.051**

(1) Amount to be reported for disclosure purposes

Excluded from this table are on-demand receivables from banks (which are classified under the item "Cash and cash equivalents", in accordance with Bank of Italy instructions), equity securities and UCITS units.

Portfolio/Quality	Low credit quality assets		Other assets
	Accumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	3.489
2. Hedging derivatives	-	-	7.404
Total 31.12.2024	**-**	**-**	**10.893**
Total 31.12.2023	**-**	**-**	**583**

A.1.3 Distribution of financial assets by past due buckets (carrying amounts)

Portfolios/risk stages	Stage 1			Stage 2			Stage 3			Purchased or originated impaired		
	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days
1. Financial assets measured at amortised cost	37.858	-	-	11.668	29.332	86.691	9.771	11.053	80.107	646	392	3.986
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets under disposal	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**37.858**	**-**	**-**	**11.668**	**29.332**	**86.691**	**9.771**	**11.053**	**80.107**	**646**	**392**	**3.986**
Total 31.12.2023	**65.283**	**-**	**-**	**8.236**	**39.138**	**92.422**	**3.515**	**12.298**	**81.919**	**719**	**701**	**6.506**

A.1.4 Financial assets, loan commitments and financial guarantees granted: overall impairment losses/reversals and overall provisions

Reason/Risk stage	Overall impairment losses/reversals																							Total provisions on loan commitments and financial guarantees granted				Tot.
	Stage 1 assets						Stage 2 assets						Stage 3 assets						Purchased or originated impaired financial assets									
	Due from banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Due from banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Due from banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets under disposal	*of which: individual impairment*	*of which: collective impairment*	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and fin. guarantees issued impaired acquired or originated	
Opening balance of total impairment losses/reversals of impairment losses	**172**	**67.686**	**1.032**	**-**	**-**	***68.890***	**-**	**37.593**	**131**	**-**	**-**	***37.724***	**-**	**172.665**	**-**	**-**	***172.665***	**-**	**-**	**-**	**-**	**-**	**-**	**2.578**	**589**	**2.081**	**-**	**284.527**
Increases from purchased or originated financial assets	112	23.837	198	-	-	*24.147*	-	3.177	-	-	-	*3.177*	-	73.549	-	-	*73.549*	-	X	X	X	*X*	*X*	3.027	-	2.996	-	**106.896**
Derecognitions other than write-offs	(132)	(8.041)	(10)	-	-	*(8.183)*	-	(1.569)	-	-	-	*(1.569)*	-	(92.092)	-	-	*(92.092)*	-	(926)	-	-	*(554)*	*(372)*	(2.256)	(208)	(9.007)	-	**(114.241)**
Net credit risk losses/reversals (+/-)	(38)	(10.896)	(856)	-	-	*(11.790)*	-	(4.649)	187	-	-	*(4.462)*	-	28.526	-	-	*28.526*	-	(75)	-	-	*17.826*	*(17.901)*	(1.003)	110	6.287	-	**17.593**
Contractual modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Write-offs not recognised directly through profit or loss	-	(360)	-	-	-	*(360)*	-	(11.005)	-	-	-	*(11.005)*	-	(13.380)	-	-	*(13.380)*	-	(1.266)	-	-	-	*(1.266)*	-	-	-	-	**(26.011)**
Other changes	-	(31.613)	(1)	-	-	*(31.614)*	-	46	-	-	-	*46*	-	28.279	-	-	*28.279*	-	2.267	-	-	*(17.272)*	*19.539*	(53)	(43)	4	-	**(1.114)**
Closing balance of total impairment losses/reversals of impairment losses	**114**	**40.613**	**363**	**-**	**-**	***41.090***	**-**	**23.593**	**318**	**-**	**-**	***23.911***	**-**	**197.547**	**-**	**-**	***197.547***	**-**	**-**	**-**	**-**	**-**	**-**	**2.293**	**448**	**2.361**	**-**	**267.650**
Recoveries from collections on assets financial assets subject to write-off	-	56	-	-	-	*56*	-	-	-	-	-	-	-	860	-	-	*860*	-	-	-	-	-	-	-	-	-	-	**916**
Write-offs recognised directly through profit or loss	-	(423)	-	-	-	*(423)*	-	-	-	-	-	-	-	(905)	-	-	*(905)*	-	(1.210)	-	-	-	*(1.210)*	-	-	-	-	**(2.538)**

A.1.5 Financial assets, loan commitments and financial guarantees granted: transfers between different credit risk stages (gross and nominal amounts)

Portfolios/risk stages	Gross amounts/nominal amount					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 to Stage 3	From Stage 3 to Stage 2	From Stage 1 to Stage 3	From Stage 3 to Stage 1
1. Financial assets measured at amortised cost	287.411	230.218	43.136	41.195	99.770	34.638
2. Financial assets measured at fair value through other comprehensive income	1.941	-	-	-	-	-
3. Financial assets under disposal	-	-	-	-	-	-
4. Loan commitments and financial guarantees granted	12.931	15.173	1	5.037	2.994	10.899
Total 31.12.2024	**302.283**	**245.391**	**43.137**	**46.232**	**102.764**	**45.537**
Total 31.12.2023	**403.162**	**257.959**	**36.421**	**31.786**	**78.911**	**38.538**

A.1.6 On- and off-balance-sheet exposures to banks: gross and net amounts

"On-demand" credit exposures include on-demand loans to banks classified under "Cash and cash equivalents". On-balance-sheet exposures include all on-balance-sheet financial assets due from banking counterparties (except for equity securities and units of UCITSs), regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive income, designated at fair value, mandatorily measured at fair value, under disposal).

Types of exposures/Amounts	Gross exposure					Overall impairment losses/reversals and overall allocations					Net exposure	Overall partial write-offs
		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
A. On-balance-sheet credit exposures												
A.1 On demand	**334.290**	**334.290**	**-**	**-**	**-**	**114**	**114**	**-**	**-**	**-**	**334.176**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	334.290	334.290	-	X	-	114	114	-	X	-	334.176	-
A.2 Other	**796.034**	**795.015**	**1.019**	**-**	**-**	**780**	**778**	**3**	**-**	**-**	**795.254**	**-**
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
d) Performing past due exposures	309	293	16	X	-	-	-	-	X	-	309	-
- of which forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
e) Other performing exposures	795.725	794.722	1.003	X	-	780	778	3	X	-	794.945	-
- of which forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
Total (A)	**1.130.324**	**1.129.305**	**1.019**	**-**	**-**	**894**	**892**	**3**	**-**	**-**	**1.129.430**	**-**
B. Off-balance-sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	815.201	121.980	-	X	-	-	-	-	X	-	815.201	-
Total (B)	**815.201**	**121.980**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**815.201**	**-**
Total (A+B)	**1.945.525**	**1.251.285**	**1.019**	**-**	**-**	**894**	**892**	**3**	**-**	**-**	**1.944.631**	**-**

A.1.7 On- and off-balance-sheet exposures to customers: gross and net amounts

Types of exposures/Amounts	Gross exposure					Overall impairment losses/reversals and overall allocations					Net exposure	Overall partial write-offs
		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		Stage 1	Stage 2	Stage 3	Purchased or originated impaired		
A. On-balance-sheet credit exposures												
a) Bad loans	121.706	X	-	119.431	2.274	88.064	X	-	88.064	-	33.642	1.943
- of which forborne exposures	*2.339*	*X*	-	*2.339*	-	*1.829*	*X*	-	*1.829*	-	*510*	-
b) Unlikely to pay	231.780	X	-	223.444	7.142	103.720	X	-	103.720	-	128.060	130
- of which forborne exposures	*32.140*	*X*	-	*29.609*	*2.531*	*11.748*	*X*	-	*11.748*	-	*20.392*	*5*
c) Non-performing past due exposures	55.150	X	-	54.490	660	5.763	X	-	5.763	-	49.387	1
- of which forborne exposures	*2.477*	*X*	-	*2.393*	*83*	*762*	*X*	-	*762*	-	*1.715*	-
d) Performing past due exposures	169.274	37.699	131.000	X	575	3.458	133	3.325	X	-	165.816	222
- of which forborne exposures	*1.694*	-	*1.550*	*X*	*144*	*60*	-	*60*	*X*	-	*1.634*	-
e) Other performing exposures	9.583.909	9.119.703	383.900	X	12.209	60.648	40.065	20.583	X	-	9.523.261	106
- of which forborne exposures	*66.604*	-	*60.136*	*X*	*6.468*	*8.925*	-	*8.925*	*X*	-	*57.679*	-
Total (A)	**10.161.819**	**9.157.402**	**514.900**	**397.365**	**22.860**	**261.653**	**40.198**	**23.908**	**197.547**	**-**	**9.900.166**	**2.402**
B. Off-balance-sheet credit exposures												
a) Non-performing	20.514	X	-	20.514	-	2.623	X	-	2.623	-	17.891	-
b) Performing	2.147.716	1.047.049	43.179	X	-	2.816	2.338	478	X	-	2.144.900	-
Total (B)	**2.168.230**	**1.047.049**	**43.179**	**20.514**	**-**	**5.439**	**2.338**	**478**	**2.623**	**-**	**2.162.791**	**-**
Total (A+B)	**12.330.049**	**10.204.451**	**557.079**	**417.879**	**22.860**	**267.092**	**42.536**	**24.386**	**200.170**	**-**	**12.062.957**	**2.402**

On-balance-sheet exposures include all on-balance-sheet financial assets due from customer counterparties (except for equity securities and units of UCITSs) regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive income, designated at fair value, mandatorily measured at fair value, under disposal).

A.1.8 On-balance-sheet exposures to banks: trends in gross non-performing exposures

The case does not exist

A.1.8bis On-balance-sheet exposures to banks: trends in gross forborne exposures broken down by credit quality

The case does not exist

A.1.9 On-balance-sheet exposures to customers: trends in gross non-performing exposures

Reason/Categories	Bad loans	Unlikely to pay	Non-performing past due exposures
A. Opening gross exposure	**109.677**	**190.667**	**106.737**
- of which: transferred and not derecognised	*149*	*2.278*	*2.473*
B. Increases	**186.668**	**357.831**	**148.671**
B.1 income from performing exposures	1.574	129.677	74.519
B.2 income from purchased or originated impaired financial assets	5.385	4.903	170
B.3 transfers from other non-performing exposure categories	27.387	38.421	51
B.4 contractual modifications without derecognition	-	-	-
B.5 other increases	152.322	184.830	73.931
C. Decreases	**174.639**	**316.718**	**200.258**
C.1 outflows to performing exposures	1	10.621	33.977
C.2 write-offs	7.216	6.164	-
C.3 collections	19.713	35.718	3.647
C.4 proceeds from sales	1.277	15.298	-
C.5 losses on sale	48.282	1.815	-
C.6 transfers to other non-performing loan categories	71	27.423	38.365
C.7 contractual modifications without derecognition	-	-	-
C.8 other decreases	98.079	219.679	124.269
D. Closing gross exposure	**121.706**	**231.780**	**55.150**
- of which: transferred and not derecognised	*848*	*3.207*	*3.358*

On-balance-sheet exposures include all on-balance-sheet financial assets due from customers (except for equity securities and units of UCITSs) regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive income, designated at fair value, mandatorily measured at fair value, under disposal).

A.1.9 bis On-balance-sheet exposures to customers: trends in gross forborne exposures broken down by credit quality

Reason/Categories	Forborne exposures: non-performing	Forborne exposures: performing
A. Opening gross exposure	**51.493**	**88.272**
- of which: transferred and not derecognised	*764*	*231*
B. Increases	**64.481**	**50.776**
B.1 inflows from non-forborne performing exposures	95	20.466
B.2 inflows from forborne performing exposures	9.183	X
B.3 inflows from non-performing forborne exposure	X	8.101
B.4 inflows from non-forborne non-performing exposures	15.946	285
B.5 other increases	39.257	21.924
C. Decreases	**79.018**	**70.750**
C.1 outflows to non-forborne performing exposures	X	35.363
C.2 outflows to forborne performing exposures	8.101	X
C.3 outflows to non-performing forborne exposures	X	9.183
C.4 write-offs	44	-
C.5 collections	5.106	9.076
C.6 proceeds from sales	15.214	-
C.7 losses on sale	4.428	-
C.8 other decreases	46.125	17.128
D. Closing gross exposure	**36.956**	**68.298**
- of which: transferred and not derecognised	*293*	*91*

A.1.10 On-balance-sheet non-performing exposures to banks: trends in overall impairment losses/reversals

The case does not exist.

A.1.11 On-balance-sheet non-performing exposures to customers: trends in overall impairment losses/reversals

Reason/Categories	Bad loans		Unlikely to pay		Non-performing past due exposures	
	Total	*of which: forborne exposures*	Total	*of which: forborne exposures*	Total	*of which: forborne exposures*
A. Opening balance of total impairment losses/reversals of impairment losses	**84.128**	***5.216***	**81.230**	***16.619***	**7.307**	***629***
- of which: transferred and not derecognised	*124*	*6*	*1.325*	*294*	*434*	*48*
B. Increases	**38.748**	***84***	**63.193**	***4.052***	**4.547**	***1.191***
B.1 impairment losses from purchased or originated impaired financial assets	126	*X*	374	*X*	76	*X*
B.2. other impairment losses	21.104	*64*	39.910	*3.381*	3.683	*441*
B.3 losses on sale	225	-	331	-	-	-
B.4 transfers from other non-performing exposure categories	258	*20*	1.740	*671*	37	-
B.5 contractual modifications without derecognition	-	-	-	-	-	-
B.6 other increases	17.035	-	20.838	-	751	*750*
C. Decreases	**34.812**	***3.471***	**40.703**	***8.923***	**6.091**	***1.058***
C.1 impairment reversals from appreciation	22.847	*1.214*	15.326	*5.853*	2.224	*364*
C.2 impairment reversals from collection	2.383	*57*	2.261	*1.698*	14	*3*
C.3 gains on disposal	211	*1*	13	-	-	-
C.4 write-offs	7.216	*44*	6.164	-	-	-
C.5 transfers to other non-performing loan categories	-	-	219	-	1.816	*691*
C.6 contractual modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	2.155	*2.155*	16.720	*1.372*	2.037	-
D. Closing balance of total impairment losses/reversals of impairment losses	**88.064**	***1.829***	**103.720**	***11.748***	**5.763**	***762***
- of which: transferred and not derecognised	*697*	*2*	*1.881*	*121*	*556*	*14*

A.2 Classification of financial assets, loan commitments and financial guarantees granted by external and internal rating

A.2.1 Breakdown of financial assets, loan commitments and financial guarantees granted by external rating class (gross amounts)

For the purposes of calculating capital requirements against credit risk, Banca Ifis uses the external credit assessment institution (ECAI) Fitch Ratings exclusively for the positions recognised under "Exposures to Central Governments and Central Banks". Banca Ifis also uses the ECAI Cerved rating for corporate counterparties, having certain specific characteristics of size and use, in order to calculate capital absorption for supervisory purposes. These positions are included in the "Exposure to Companies" classes.

No external ratings are used for other asset classes.

A.2.2 Breakdown of financial assets, loan commitments and financial guarantees granted by internal rating class (gross amounts)

The Bank does not use internal ratings to calculate capital absorption. The Bank has implemented an internal ratings system geared towards operating Segments, differentiated by legal nature and size. This has been developed on proprietary databases and has the following components:

- a "financial" module, to assess the company's operating/financial soundness;
- a "central credit register" module, presenting the evolution of counterparty risk vis-à-vis the banking industry;
- an "internal performance" module, monitoring the performance of the relationships between the counterparty and the Bank.
- a "socio-demographic" module aimed at assessing the risk profile on the basis of biographical information.

These models are differentiated by segment to ensure that appropriate models are applied on homogeneous population from the point of view of characteristics and risk level. There are therefore models for corporations, differentiated by two size clusters, and a model for partnerships and sole proprietorships.

A.3 Breakdown of guaranteed credit exposures by guarantee type

A.3.1 Guaranteed on- and off-balance-sheet exposures to banks

	Gross exposure	Net exposure	Collateral guarantees (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Property - Mortgages	Property - lease financing	Securities	Other collateral	CLN	Central counterpar-ties	Banks	Other financial corporations	Other entities	General governments	Banks	Other financial corporations	Other entities	
1. Guaranteed on-balance-sheet credit exposures:	**25.477**	**25.459**	**-**	**-**	**25.181**	**278**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25.459**
1.1 totally guaranteed	25.477	25.459	-	-	25.181	278	-	-	-	-	-	-	-	-	-	25.459
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Secured “off-balance sheet” credit exposures:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 totally guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.3.2 Guaranteed on- and off-balance-sheet exposures to customers

	Gross exposure	Net exposure	Collateral guarantees (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Property Mortgages	Property Finance Leases	Securities	Other collateral	CNL	Central counterparties	Banks	Other financial corporations	Other entities	General governments	Banks	Other financial corporations	Other entities	
1. Guaranteed on-balance-sheet credit exposures:	**3.071.301**	**2.960.149**	**206.713**	**-**	**153.141**	**1.595.957**	**-**	**-**	**-**	**-**	**-**	**626.030**	**1.020**	**43.307**	**118.101**	**2.744.269**
1.1 totally guaranteed	2.156.645	2.088.178	178.773	-	153.141	1.495.550	-	-	-	-	-	107.362	1.020	43.302	108.543	2.087.691
- of which non-performing	*111.754*	*60.997*	*23.902*	-	-	*15.932*	-	-	-	-	-	*14.354*	-	*65*	*6.744*	*60.997*
1.2 partially guaranteed	914.656	871.971	27.940	-	-	100.407	-	-	-	-	-	518.668	-	5	9.558	656.578
- of which non-performing	*88.289*	*60.046*	*1.472*	-	-	*1.607*	-	-	-	-	-	*53.365*	-	-	*902*	*57.346*
2. Guaranteed off-balance-sheet credit exposures:	**40.024**	**39.974**	**127**	**-**	**-**	**10.171**	**-**	**-**	**-**	**-**	**-**	**92**	**-**	**925**	**13.585**	**24.900**
2.1 totally guaranteed	23.300	23.252	127	-	-	9.388	-	-	-	-	-	12	-	925	12.800	23.252
- of which non-performing	*492*	*492*	-	-	-	-	-	-	-	-	-	-	-	-	*491*	*491*
2.2 partially guaranteed	16.724	16.722	-	-	-	783	-	-	-	-	-	80	-	-	785	1.648
- of which non-performing	*2.616*	*2.616*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.4 Financial and non-financial assets obtained through the enforcement of guarantees received

The case does not exist at 31 December 2024.

B. Concentration and distribution of credit exposures

B.1 Breakdown of on- and off-balance-sheet exposures to customers by segment

Exposures/Counterparties	General governments		Financial companies		*Financial companies (of which: insurance companies)*		Non-financial corporations		Households	
	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	*Net exposure*	*Overall impairment losses/reversals*	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. On-balance-sheet credit exposures										
A.1 Bad loans	53	428	377	303	-	-	31.037	83.659	2.175	3.674
- of which forborne exposures	-	-	-	-	-	-	*321*	*1.526*	*189*	*303*
A.2 Unlikely to pay	9.805	1.842	3.416	1.058	-	-	99.872	92.670	14.967	8.150
- of which forborne exposures	-	-	*16*	*22*	-	-	*12.900*	*9.572*	*7.476*	*2.154*
A.3 Non-performing past due exposures	21.086	53	-	-	-	-	19.209	2.709	9.092	3.001
- of which forborne exposures	*51*	-	-	-	-	-	*121*	*25*	*1.543*	*737*
A.4 Performing exposures	2.308.979	2.497	2.054.868	5.137	*1.854*	2	4.896.241	52.869	428.989	3.603
- of which forborne exposures	-	-	*3.770*	*244*	-	-	*47.052*	*8.448*	*8.491*	*293*
Total (A)	**2.339.923**	**4.820**	**2.058.661**	**6.498**	***1.854***	**2**	**5.046.359**	**231.907**	**455.223**	**18.428**
B. Off-balance-sheet credit exposures										
B.1 Non-performing exposures	-	-	2.616	-	-	-	14.957	2.623	318	-
B.2 Performing exposures	-	-	425.195	1.176	-	-	650.288	1.587	12.057	53
Total (B)	**-**	**-**	**427.811**	**1.176**	**-**	**-**	**665.245**	**4.210**	**12.375**	**53**
Total (A+B) 31.12.2024	**2.339.923**	**4.820**	**2.486.472**	**7.674**	***1.854***	**2**	**5.711.604**	**236.117**	**467.598**	**18.481**
Total (A+B) 31.12.2023	**2.462.328**	**4.742**	**2.421.851**	**14.398**	***798***	**-**	**5.704.880**	**243.883**	**510.469**	**19.722**

B.2 Geographical breakdown of on- and off-balance-sheet exposures to customers

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the World	
	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. On-balance-sheet credit exposures										
A.1 Bad loans	33.642	88.061	-	3	-	-	-	-	-	-
A.2 Unlikely to pay	128.005	103.659	55	61	-	-	-	-	-	-
A.3 Non-performing past due exposures	48.526	5.660	861	103	-	-	-	-	-	-
A.4 Performing exposures	8.856.226	60.813	801.098	3.161	18.621	77	11.218	44	1.914	11
Total (A)	**9.066.399**	**258.193**	**802.014**	**3.328**	**18.621**	**77**	**11.218**	**44**	**1.914**	**11**
B. Off-balance-sheet credit exposures										
B.1 Non-performing exposures	17.666	2.623	225	-	-	-	-	-	-	-
B.2 Performing exposures	913.171	2.783	169.545	33	4.162	-	537	-	125	-
Total (B)	**930.837**	**5.406**	**169.770**	**33**	**4.162**	**-**	**537**	**-**	**125**	**-**
Total (A+B) 31.12.2024	**9.997.236**	**263.599**	**971.784**	**3.361**	**22.783**	**77**	**11.755**	**44**	**2.039**	**11**
Total (A+B) 31.12.2023	**10.375.010**	**275.840**	**625.148**	**5.856**	**65.868**	**668**	**14.814**	**294**	**18.688**	**87**

B.3 Geographical breakdown of on- and off-balance-sheet exposures to banks

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the World	
	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals	Net exposure	Overall impairment losses/reversals
A. On-balance-sheet credit exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	900.276	531	229.154	363	-	-	-	-	-	-
Total (A)	**900.276**	**531**	**229.154**	**363**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance-sheet credit exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	124.480	-	8.266	-	-	-	-	-	-	-
Total (B)	**124.480**	**-**	**8.266**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31.12.2024	**1.024.756**	**531**	**237.420**	**363**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31.12.2023	**1.238.690**	**1.276**	**223.792**	**507**	**-**	**-**	**-**	**-**	**-**	**-**

B.4 Large exposures

		31.12.2024	31.12.2023
a)	Amount (carrying amount)	7.628.561	7.091.600
b)	Amount (weighted value)	943.298	837.594
c)	Number	12	10

The overall weighted amount of Large exposures at the weighted amount at 31 December 2024, comprising 12 positions, consists of 83,1 million Euro in tax assets, 156,4 million Euro in exposure to equity investments not included in the prudential scope of consolidation and the remaining 703,8 million Euro in positions vs supervised intermediaries, mainly connected with reverse repurchase agreements, derivatives and securities.

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 December 2024 the carrying amount of sovereign debt exposures is 2.059 million Euro, net of the negative valuation reserve of 15,9 million Euro.

These securities, with a nominal amount of 2.122 million Euro have a weighted residual average life of 67 months.

The fair values used to measure the exposures to sovereign debt securities at 31 December 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 December 2024 amount to 281 million Euro, of which 73 million Euro related to tax credits.

C. Securitisation transactions

Securitisations in which the Bank is the originator and for which all the liabilities issued by the special purpose vehicles were subscribed by the Bank at the time of issue shall not be recorded in this section. For more details on this type of transactions, please refer to Part E of these individual Notes to the Financial Statements on liquidity risk.

Qualitative information

The Bank has exposures to securitisations originated by third parties, acquired for investment purposes with the aim of generating a profit margin and achieving an appreciable medium/long-term return on capital.

These transactions may be originated by the Bank's Business Units, based on the characteristics of the underlying portfolio -- performing or non-performing -- or as part of liquidity investments.

The acquisition activities are carried out in accordance with the policies and procedures relating to credit risk, and in particular with the policies in force for the securitisation transactions and investment policies applicable to the Proprietary Finance portfolio and in compliance with the propensity to risk established within the Risk Appetite Framework (RAF). The Bank invests in securitisations of which it is able to value, on the basis of its experience, the relevant underlying assets.

In particular, after identifying the investment opportunity, the unit that proposes the transaction conducts a due diligence review to estimate future cash flows and determine whether the price is fair, coordinating the organisational units concerned from time to time and formalising the relevant findings to be submitted to the competent decision-making body.

Subsequent to the purchase, the investment is constantly monitored based on the performance indicators of the underlying exposures and whether cash flows are in line with the estimates made at the time of the acquisition.

The Bank has prepared a "Policy for the Management of Securitisation Transactions in the Role of Originator/Promoter/Investor", with which it regulates the process of managing securitisation transactions in the event that it intervenes in the role of "originator" (i.e. a party that participated in the original contract that created the obligations that originated the securitised exposures or that acquired the exposures of a third party and subsequently proceeds to their securitisation) of "investor" (i.e. a person underwriting the securities) or "sponsor" (i.e. a person structuring the transaction as defined in Art. 2 of EU Regulation 2017/2402). For each potential case, the policy sets out the responsibilities of the organisational units and corporate bodies, with reference to both the due diligence process and the ongoing monitoring of the transaction.

Outstanding securitisation transactions at 31 December 2024 are listed below.

Securitisation as originator

IFIS ABCP Programme securitisation

On 7 October 2016, Banca Ifis launched a three-year revolving securitisation of trade receivables due from account debtors. After Banca Ifis (originator) initially reassigned the receivables for 1.254,3 million Euro, in the second quarter of 2018, the vehicle named Ifis ABCP Programme S.r.l. issued 850 million Euro, increased to 1.000 million Euro, worth of senior notes subscribed for by the investment vehicles owned by the banks that co-arranged the transaction, simultaneously with the two-year extension of the revolving period. An additional tranche of senior notes, with a maximum nominal amount of 150 million Euro, initially issued for 19,2 million Euro, and that was subsequently adjusted based on the composition of the assigned portfolio, was subscribed for by Banca Ifis. In 2019, this portion was first partially repaid by the vehicle, then sold to a third-party bank for a total residual value of 98,9 million Euro. The difference between the value of the receivables portfolios and the senior notes issued represents the credit granted to the notes' bearers, which consists in a deferred purchase price.

At the end of June 2024, this securitisation was restructured to a value of 1,2 billion Euro. The restructuring has led Banca Ifis, which assumed the role of Lead-Arranger and Calculation Agent, to improve the economic conditions of the securitisation and to enlarge the investor base from six to eight institutions. The banks already involved in the project were joined by Cassa Depositi e Prestiti (CDP), whose commitment aims to provide new finance to SMEs, and Natixis CIB, the latter also assuming the role of co-arranger. Overall, the restructuring involved maintaining the current structural features, net of the extension of the revolving period for a period of 24 months, the extension of the final maturity date of the securities and a revision of the economic conditions applied. The securities of the securitisation are today listed on the ExtraMOT PRO segment of Borsa Italiana. This restructuring transaction did not have any impact on the Bank’s economic and equity position.

Banca Ifis acts as servicer, performing the following tasks:

- following collection operations and monitoring cash flows on a daily basis;
- reconciling the closing balance at every cut-off date;
- verifying, completing and submitting the Service report with the information on the securitised portfolio requested by the vehicle and the banks at every cut-off date.

As part of the securitisation programme, the Bank sends the amount it collects to the vehicle on a daily basis, while the new portfolio is assigned approximately six times each month; this ensures a short time lapse between the outflows from the Bank and the inflows associated with the payment of the new assignments.

Only part of the securitised receivables due from account debtors are recognised as assets - especially for the portion that the Bank has purchased outright, resulting in the transfer of all risks and rewards to the buyer. Therefore, the tables in the quantitative disclosure show only this portion of the portfolio.

In compliance with IAS/IFRS accounting standards, currently the securitisation process does not involve the substantial transfer of all risks and rewards, as it does not meet derecognition requirements. In addition, the vehicle Ifis ABCP Programme S.r.l. was consolidated because, following an analysis of the requirements set forth in IFRS 10, it was found to be subject to the control of Banca Ifis (for further details, see "Section 3 - Scope and methods of consolidation" of the paragraph “A.1 - General part” of "Part A - Accounting policies" of these Notes to the Consolidated Financial Statements).

The maximum theoretical loss for Banca Ifis is represented by the losses that could potentially arise within the portfolio of assigned receivables, and the impact would be the same as if the securitisation programme did not exist; therefore, the securitisation has been accounted for as follows:

- the securitised receivables purchased outright were recognised under "receivables due from customers", subitem "factoring";
- the funds raised from the issue of senior notes subscribed for by third parties were recognised under "debt securities issued" of the balance sheet liabilities;
- the interest on the receivables was recognised under the same item of the income statement "interest receivable and similar income";
- the interest on the notes was recognised under "interest due and similar expenses", sub-item "debt securities issued";
- the arrangement fees were fully recognised in profit or loss in the year in which the programme was launched.

At 31 December 2024, the interest expense on the senior notes recognised in profit or loss amounts to 42,4 million Euro.

Indigo lease securitisation

In 2016, Banca Ifis, through the originator company, the former Ifis Leasing S.p.A. (incorporated into Banca Ifis since May 2018) finalised a securitisation that involved selling a portfolio of performing loans totalling 489 million Euro to the special purpose vehicle Indigo Lease S.r.l.

The securitisation was rated by the agencies Moody's and DBRS, which will also perform the annual monitoring throughout the term of the transaction.

The initial purchase price of the assigned receivables portfolio, equal to 489 million Euro, was paid by the vehicle to the merged entity, the former Ifis Leasing using funds raised from the issue of senior notes for an amount of 366 million Euro. These received an AA3 (sf) rating from Moody's and an AA (sf) rating from DBRS, and their redemption is connected to the collections realised on the receivables portfolio. In addition, the vehicle issued 138 million Euro in junior notes that were acquired by the former Ifis Leasing and did not receive a rating. In addition, the latter received a specific servicing mandate to collect and manage the receivables.

During 2017, following the transaction restructuring, a revolving system was launched involving monthly assignments of new credit to the SPV, until July 2021. At the same time, the maximum nominal amount of the senior and junior notes was increased respectively to 609,5 and 169,7 million Euro. In the same period, Banca Ifis acquired all the senior notes issued by the vehicle. Following the May 2018 merger of the former Ifis Leasing, for incorporation into Banca Ifis, the latter also became the subscriber of the junior notes.

A second restructuring took place in June 2021, with confirmation of the nominal amount of the securities and simultaneous extension of the revolving period until July 2023.

In July 2023, Banca Ifis finalised the restructuring of the securitisation, which entailed the extension of the revolving period for a further two years and an increase in the principal outstanding amount of the senior securities, as well as the derating and delisting of the same from the Luxembourg Stock Exchange (as of 20 July 2023), in addition to obtaining STS (Securitisation "Simple, Transparent and Standardised") status pursuant to EU Regulation 2017/2402 (Securitisation Regulation).

As part of the transaction, Banca Ifis sold to UniCredit Bank AG the entire amount of senior securities, corresponding to a nominal amount of 609,5 million Euro and a principal amount outstanding of 400 million Euro. The junior securities, with a principal amount outstanding of 147,6 million Euro, were fully retained by Banca Ifis as originator. Therefore, as of July 2023 Indigo Lease is no longer a self-securitisation.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were “restored” to the Bank’s accounts.

At 31 December 2024, the interest expense on the senior notes recognised in profit or loss amounts to 19,1 million Euro.

Third-party securitisations

At 31 December 2024, the Bank holds 632,9 million Euro in notes deriving from third-party securitisation transactions, as follows: 560,5 million Euro of senior notes (of which 19,7 million Euro relate to securities with underlying non-financial assets), 38,9 million Euro of mezzanine notes, 0,4 million Euro of junior notes and single tranche securities for 33,1 million Euro. In particular, the multi-originator securitisations in which the Bank, together with other banks, also assumed the role of originator amount to 31,9 million Euro at 31 December 2024 (39,2 million Euro at 31 December 2023). For further details, please refer to paragraph "C. Financial assets sold and derecognised in full" below, within subsection "E. Disposal transactions" of "Section 1 - Credit risk” of “Part E - Information on risks and related hedging policies” of these Notes to the Financial Statements.

In December 2024, the subsidiary Ifis Npl Investing S.p.A. participated in a multi-originator securitisation transaction. The special purpose vehicle Luzzatti POP NPLs 2024 S.r.l. acquired from Ifis Npl Investing S.p.A. a portfolio of non-performing loans for a carrying amount of 10,3 million Euro and issued securities in three classes: a senior class offered in subscription to each of the assignors at par and pro-rata and with an investment grade BBB area rating; a mezzanine class and a junior class both placed by IMI on the institutional market net of a 5% share subscribed by the assignors. Following Ifis Npl Investing S.p.A.'s pro-rata subscription of the senior notes, they were sold to Banca Ifis, net of a 5% share retained by it. The carrying amount at 31/12/2024 for Banca Ifis is 11 million Euro.

The value of the portfolio decreased compared to the figure of 784,7 million Euro as at 31 December 2023, due to the repayments of existing transactions in the amount of approximately 226,7 million Euro and new securities subscriptions made by the Bank during 2024 in the amount of approximately 70 million Euro.

Quantitative information

C.1 Exposures from the main "own" securitisations broken down by type of securitised asset and type of exposure

Type of securitised asset/Exposure	On-balance-sheet exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals
A. Fully derecognised	**4.034**	**1**	**21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Partly derecognised	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Not derecognised	**-**	**-**	**-**	**-**	**233.561**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- receivables due from customers	-	-	-	-	233.561	-	-	-	-	-	-	-	-	-	-	-	-	-

C.2 Exposures from the main "third-party" securitisations broken down by type of securitised asset and type of exposure

Type of securitised asset/Exposures	On-balance-sheet exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals
Secured and unsecured loans	593.593	1.375	38.875	239	441	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**593.593**	**1.375**	**38.875**	**239**	**441**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

C.3 Special purpose vehicle for the securitisation

Securitisation name / Special purpose vehicle name	Registered office	Consolidation	Assets			Liabilities		
			Receivables	Debt securities	Other	Senior	Mezzanine	Junior
Ifis ABCP Programme S.r.l.	Conegliano (Province of Treviso)	100%	1.330.827	-	76.640	975.672	-	-
Indigo Lease S.r.l.	Conegliano (Province of Treviso)	100%	506.863	-	31.430	400.000	-	147.671

C.4 Non-consolidated special purpose vehicles for the securitisation

The case does not exist

C.5 Servicer activities – own securitisations: collection of securitised loans and redemption of securities issued by the SPV for securitisation

The case does not exist

D. Disclosure on structured entities not consolidated in the accounts (other than securitisation vehicles)

There are no unconsolidated structured companies at 31 December 2024 other than the securitisation company falling within the Bank's scope.

E. Disposals

A. Financial assets sold and not derecognised in full

Qualitative information

Transfer transactions that did not result in the derecognition of the underlying financial assets are represented by:

- securitisation transactions of credit exposures to customers;
- repurchase agreements (repos) on securities owned, mainly classified in the portfolios "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost".

In the case of repurchase agreements, the non-derecognition of the security, which is the subject of a spot sale, derives from the fact that the Bank retains substantially all the risks and rewards associated with the security, having the obligation to repurchase it forward at a contractually agreed price. The securities being transferred therefore continue to be shown in the accounting portfolios to which they belong; the consideration for the transfer is recognised under “Financial liabilities measured at amortised cost: a) payables due to banks or b) payables due to customers”, depending on the type of counterparty. In this regard, it should be noted that the following tables do not represent repurchase agreements on securities not recorded in the balance sheet, if the availability of the same results from reverse repurchase agreements (please refer to the section "Other information" in Part B of these individual notes to the financial statements).

For securitisation transactions, described in section "C. Securitisation transactions" above, the non-derecognition follows the Bank's subscription of the tranches of junior securities or similar exposures, which entail the risk of first losses for it and, likewise, the benefit associated with the return on the portfolio of transferred assets. In exchange for the transfer, the consideration received is recognised as a balancing entry to a liability to the special purpose vehicle, net of any tranches of securities subscribed or drawdowns of forms of liquidity support in favour of the vehicle in order to make principal payments. The loan thus recorded to the special purpose vehicle will be reduced by the sums collected by the originator, as "servicer", and transferred to the same vehicle.

Quantitative information

E.1. Financial assets sold and fully recognised and associated financial liabilities: carrying amounts

	Financial assets sold and fully recognised				Associated financial liabilities		
	Carrying amount	*of which: securitised*	*of which: subject to repurchase agreements*	*of which non-performing*	Carrying amount	*of which: securitised*	*of which: subject to repurchase agreements*
A. Financial assets held for trading	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-	-
4. Derivatives	-	-	-	-	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**98.796**	**-**	***98.796***	**-**	**101.271**	**-**	***101.271***
1. Debt securities	98.796	-	*98.796*	-	101.271	-	*101.271*
2. Equity securities	-	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**2.392.305**	***777.020***	***1.615.285***	***4.279***	**2.766.330**	***1.268.471***	***1.497.859***
1. Debt securities	1.615.285	-	*1.615.285*	-	1.497.859	-	*1.497.859*
2. Loans	777.020	*777.020*	-	*4.279*	1.268.471	*1.268.471*	-
Total 31.12.2024	**2.491.101**	***777.020***	***1.714.081***	***4.279***	**2.867.601**	***1.268.471***	***1.599.130***
Total 31.12.2023	**1.911.797**	***758.259***	***1.153.538***	***3.017***	**2.433.492**	***1.371.862***	***1.061.630***

E.2 Financial assets sold and partly recognised and associated financial liabilities: carrying amounts

The case does not exist.

E.3. Disposal transactions with liabilities having recourse only to assets sold and not derecognised in full: fair value

	Recorded in full	Recorded partially	Total	
			31.12.2024	31.12.2023
A. Financial assets held for trading	-	-	-	-
1. Debt securities	-	-	-	-
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-
1. Debt securities	-	-	-	-
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**98.796**	**-**	**98.796**	**2.542**
1. Debt securities	98.796	-	98.796	2.542
2. Equity securities	-	-	-	-
3. Loans	-	-	-	-
E. Financial assets measured at amortised cost	**2.392.305**	**-**	**2.392.305**	**1.909.255**
1. Debt securities	1.615.285	-	1.615.285	1.150.996
2. Loans	777.020	-	777.020	758.259
Total financial assets	**2.491.101**	**-**	**2.491.101**	**1.911.797**
Total associated financial liabilities	**2.867.601**	**-**	**X**	**X**
Net balance at 31.12.2024	**(376.500)**	**-**	**(376.500)**	**X**
Net balance at 31.12.2023	**(521.694)**	**-**	**X**	**(521.694)**

B. Financial assets sold and derecognised in full with recognition of continuing involvement

The Bank has not entered into any disposal transactions for which disclosure is required under IFRS 7.

C. Financial assets sold and derecognised in ful

Qualitative information

At 31 December 2024, the Bank holds securitised securities and mutual fund units acquired as a result of transactions involving the sale of financial assets that were derecognised in full during 2024 and in previous years. These transactions involved the transfer of financial assets, consisting of loans, by the Bank to securitisation special purpose entities or mutual funds and their derecognition in accordance with IFRS 9, following verification that the originator Bank itself had substantially transferred the risks and rewards of the transferred assets and had simultaneously retained no control over those assets. Instead of these derecognised assets, securitised securities, equity instruments or Fund units received in the same transactions have been recognised as financial assets.

Below is information provided on multi-originator sales of loan portfolios, in particular of "unlikely to pay" loans - that are attributable to the assignment of loans to a mutual fund with allocation of the relevant shares to the assigning intermediaries.

Quantitative information

The following table provides details of the funds held, showing the fund management company and the carrying amount at 31 December 2024. With regard to equity instruments, please refer to the descriptive section below.

Fund name	Carrying amount at 31/12/2024 (in thousands)	Asset management company
illimity Credit & Corporate Turnaround Fund	5.740	illimity SGR
City Regeneration Fund	7.150	Redo SGR
IDeA Corporate Credit Recovery I - Loans sub-fund	5.701	Dea Capital Alternative Funds SGR
IDeA Corporate Credit Recovery II - Loans sub-fund	5.745	Dea Capital Alternative Funds SGR
IDeA Corporate Credit Recovery II - Shipping sub-fund	2.261	Dea Capital Alternative Funds SGR
BCC NPLs 2020	31.355	BCC NPLs 2020 S.r.l.
BCC NPLs 2021	4.642	BCC NPLs 2021 S.r.l.

Transactions concluded during the year

"Illimity Credit & Corporate Turnaround Fund" ICCT Fund

Restructuring fund managed by illimity SGR, established in 2021 with the objective of purchasing non-performing loans owed by banks to companies engaged in restructuring processes.

The subscription of the fund's shares by Banca Ifis took place in April 2024 with an investment of 7,405 million Euro, an amount coinciding with the price of the sale of loans due in respect of an automotive company. The investment, recorded at 5,8 million Euro, represented 3,3% of the fund at the time of subscription. Subsequently, further closures occurred, which did not affect Banca Ifis, and which reduced the Fund's participation to 2,68%.

A first distribution was received during the year. The carrying amount at 31 December 2024 is 5,7 million Euro.

IDeA CCR II Fund - Credit sub-fund

Fund established in 2017, a replica of the CCR I fund launched in previous years, with the objective of purchasing non-performing loans and instruments claimed by banks from companies involved in restructuring processes.

In 2017, Banca Ifis subscribed units for a total initial value of 8,8 million Euro in conjunction with the assignment to the Fund of its claim against a single debtor operating in the manufacturing sector.

At subscription, Banca Ifis's shareholding in the sub-fund was 3,72%. As a result of the subsequent closures implemented by the Fund, the Fund's sub-fund participation in respect of units subscribed before December 2024 was reduced to 0,44%.

In December 2024, Banca Ifis subscribed a further 209,910 units in the fund for an equivalent amount of 3,8 million Euro in conjunction with the assignment to it of its claim against a company operating in the furnishings sector. At the time of subscription, the new units represented 0,64% of the total units issued. Following further closures by the end of the year, the percentage dropped to 0,53% for a value of 3,1 million Euro.

Over the years, distributions have been made in favour of shareholders.

The comprehensive carrying amount at 31 December 2024 is 5,7 million Euro.

Transactions concluded in previous years

IDeA CCR I Fund - Credit sub-fund

Fund established in January 2016, with the objective of purchasing non-performing loans and instruments claimed by banks from companies involved in restructuring processes.

Banca Ifis became a shareholder in July 2019, as part of the last closing realised by the fund, through the subscription of units worth 15,9 million Euro, in conjunction with the sale to the fund of receivables and equity instruments owed to an operator in the automotive segment. Banca Ifis's share of the Fund is 13,66%. In 2024, having reached maturity, the fund was put into liquidation. The sub-fund's management team is focused on selling the last asset in the portfolio from which the final redemption of units will be derived. The carrying amount at 31 December 2024 is 5,7 million Euro.

IDeA CCR II Fund - Shipping sub-fund

Sub-fund established in 2018 within the CCR II Fund launched in 2017, specifically for non-performing loans arising from transactions with ship operators. The sub-fund is denominated in US dollars.

The subscription of the sub-fund's shares by Banca Ifis took place in December 2018 with an investment of 37,7 million Dollar, an amount coinciding with the price of the sale of ship mortgage-backed loans to as many operators. Banca Ifis's shareholding represents 19,34% of the sub-fund's units.

Over the years, the Fund has made significant distributions from the proceeds realised through the restructuring of receivables, repossession of ships and the subsequent sale of part of them, greatly anticipating the recovery expected by shareholders. The carrying amount at 31 December 2024 is 2,3 million Euro.

City Regeneration Fund

A closed-end real estate alternative investment fund reserved for professional investors established in November 2020 with the objective of making sustainable investments in real estate initiatives aimed at urban regeneration and having a social impact, with a focus on Social Housing, Senior Living and Student Housing.

In November 2023, Banca Ifis sold its claim against a single debtor, the owner of the largest urban regeneration project in Italy, with a nominal amount of 9,2 million Euro and a carrying amount of 5,9 million Euro. For this transaction, Banca Ifis received units of the City Regeneration Fund, entered at a fair value of 6,3 million Euro.

At 31 December 2024, Banca Ifis's share is 1,62% of the total value of the Fund's subscriptions and its carrying amount is 7,1 million Euro.

In addition to the above, again with a view to pursuing de-risking activities, Banca Ifis participated in two multi-originator securitisation transactions in 2020 and 2021, respectively.

“BCC NPLs 2020” securitisation

Multi-originator transaction whereby, on 18/11/2020, 90 banks, 88 of which belong to the Iccrea Cooperative Banking Group and two banks outside the group (Banca Ifis and Banca Popolare Valconca), completed the sale of an equal number of portfolios of non-performing loans classified as bad loans at the date of sale for a total credit claim of 2.347,1 million Euro (of which 249,0 million Euro related to the portfolio sold by the bank) in favour of a vehicle company ("BCC NPLs 2020 S.r.l.") set up pursuant to Law 130/1999 through the realisation of a securitisation of bad loans guaranteed by Italian Treasury Department (referred to as “GACS”) pursuant to L.D. No. 18 of 14 February 2016.

BCC NPLs 2020 S.r.l. financed acquisitions of the loans portfolio by issuing asset-backed securities, in accordance with the combined provisions of Articles 1 and 5 of Italian Law No. 130, for a total nominal amount of approximately 585 million Euro, structured into the following classes:

- 520 million Euro of senior securities (of which a nominal 55.077.000,00 Euro subscribed by the bank), maturing in January 2045 and with Baa2 and BBB ratings issued by Moody's Italia S.r.l. and Scope, respectively;
- 41 million Euro in Mezzanine Notes maturing in January 2045, with rating Caa2 and CC assigned respectively by Moody’s Italia S.r.l. and Scope;
- 24 million Euro in Junior Notes maturing in January 2045, unrated.

The Mezzanine securities and the Junior securities were subscribed by independent investors having no relationship and/or ties with the originator banks, it being understood that each originator bank undertook to maintain a share of at least 5% of the nominal amount of each tranche of Securities issued in the context of the Transaction. The share of Mezzanine and Junior Securities subscribed by the bank is 245 thousand Euro and 143 thousand Euro, respectively.

In the context of this transaction, the bank benefited from the accounting and prudential derecognition of the transferred assets. The carrying amount at 31 December 2024 is 31,2 million Euro for senior units, 0,2 million Euro for mezzanine units, and junior units are of negligible value.

"BCC NPLs 2021" securitisation

Multi-originator transaction whereby, on 16/11/2021, 77 banks, 74 of which belong to the Iccrea Cooperative Banking Group and 3 Banks outside the group (Banca Ifis, Cassa di Risparmio di Asti and Guber Banca), completed the sale of an equal number of portfolios of non-performing loans classified as bad loans at the date of sale for a total credit claim of 1.311,9 million Euro (of which 86,9 million Euro related to the portfolio sold by the bank) in favour of a vehicle company ("BCC NPLs 2021 S.r.l.") set up pursuant to Law 130/1999 through the realisation of a securitisation of bad loans guaranteed by Italian Treasury Department (referred to as "GACS") pursuant to L.D. No. 18 of 14 February 2016.

BCC NPLs 2021 S.r.l. financed acquisitions of the loans portfolio by issuing asset-backed securities, in accordance with the combined provisions of Articles 1 and 5 of Italian Law No. 130, for a total nominal amount of 336,5 million Euro, structured into the following classes:

- 284 million Euro of Senior securities (of which a nominal 7.823.000 Euro subscribed by the bank), maturing in April 2046 and with Baa2, BBB and BBB ratings issued by Moody's Italia S.r.l., Scope and Arc Rating S.A., respectively;
- 39,5 million Euro in Mezzanine Notes maturing in April 2046, with rating Caa2, CCC and CCC+ assigned respectively by Moody's Italia S.r.l., Scope and Arc Rating S.A., respectively;
- 13 million Euro in Junior securities maturing in April 2046, unrated.

The mezzanine securities and the junior securities were subscribed by independent investors having no relationship and/or ties with the originator Banks, it being understood that each originator bank undertook to maintain a share of at least 5% of the nominal amount of each tranche of Securities issued in the context of the transaction. The share of Mezzanine and Junior securities subscribed by the bank is 130,8 thousand Euro and 43 thousand Euro, respectively.

In the context of this transaction, the bank benefited from the accounting and prudential derecognition of the transferred assets. The carrying amount at 31 December 2024 is 4,6 million Euro for senior units while the mezzanine units and junior units are of irrelevant value.

D. Covered bond transactions

The case does not exist.

F. Models for measuring credit risk

Banca Ifis does not have internal portfolio models on credit risk (VaR methodology).

Section 2 - Market risks

2.1 Interest rate risk and price risk - supervisory trading book

Qualitative information

For qualitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Quantitative information

1. Supervisory trading book: breakdown by residual maturity (re-pricing date) of on-balance-sheet financial assets and liabilities and financial derivatives - Currency: Euro

Type/Residual maturity	on demand	up to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	over 5 to 10 years	over 10 years	indefinite life
1. On-balance-sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	3.455	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	33.513	3.903	53	88.858	16.984	-	-
+ short positions	-	105.428	-	50	302	17.439	20.092	-
- Other								
+ long positions	-	121.503	4.638	21.512	100.681	2.302	-	-
+ short positions	-	121.099	4.638	21.512	100.681	2.302	-	-

2. Supervisory trading book: distribution of equity exposures and equity indices by major market listing countries

Banca Ifis has no cases for which the disclosures in this paragraph are applicable.

3. Supervisory trading book - internal models and other methods for the sensitivity analysis

Banca Ifis does not have internal models for the regulatory trading book.

2.2 Interest rate risk and price risk - banking book

Qualitative information

For qualitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Quantitative information

1. Banking book: breakdown by residual maturity (re-pricing date) of financial assets and liabilities - Currency: Euro

Type/Residual maturity	on demand	up to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	over 5 to 10 years	over 10 years	Indefinite life
1. On-balance-sheet assets	**2.347.775**	**3.984.170**	**1.273.983**	**484.449**	**1.819.092**	**764.563**	**262.373**	**-**
1.1 Debt securities	10.170	977.499	562.622	183.954	724.485	739.116	261.563	-
- with early redemption option	-	507.573	35.822	41.781	203.049	73.933	31.064	-
- other	10.170	469.926	526.800	142.173	521.436	665.183	230.499	-
1.2 Loans to banks	336.905	161.823	18	36	206	-	-	-
1.3 Loans to customers	2.000.700	2.844.848	711.343	300.459	1.094.401	25.447	810	-
- current a/c	16.132	143.658	-	-	17	18	-	-
- other loans	1.984.568	2.701.190	711.343	300.459	1.094.384	25.429	810	-
- with early redemption option	220.033	1.149.089	484.199	174.444	482.293	18.283	735	-
- other	1.764.535	1.552.101	227.144	126.015	612.091	7.146	75	-
2. On-balance-sheet liabilities	**953.049**	**4.163.903**	**586.465**	**1.030.310**	**4.187.333**	**17.871**	**2.465**	**-**
2.1 Due to customers	952.317	3.562.765	469.443	1.000.686	2.184.607	4.479	2.465	-
- current a/c	334.317	233.596	32.057	128.902	184.530	-	-	-
- other payables	618.000	3.329.169	437.386	871.784	2.000.077	4.479	2.465	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	618.000	3.329.169	437.386	871.784	2.000.077	4.479	2.465	-
2.2 Payables due to banks	728	601.136	117.022	29.611	495.394	13.392	-	-
- current a/c	728	-	-	-	-	-	-	-
- other payables	-	601.136	117.022	29.611	495.394	13.392	-	-
2.3 Debt securities	4	2	-	13	1.507.332	-	-	-
- with early redemption option	-	-	-	-	787.485	-	-	-
- other	4	2	-	13	719.847	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	81.844	-	-	-	-
+ short positions	-	81.844	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	339.700	156.000	-	(150.700)	(345.000)	-	-
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	339.700	156.000	-	-	-	-	-
+ short positions	-	-	-	-	150.700	345.000	-	-
4. Other off-balance-sheet transactions								
+ long positions	287.533	-	-	-	-	-	-	-
+ short positions	201.437	4.137	6.069	-	46.437	29.453	-	-

1. Banking book: breakdown by residual maturity (re-pricing date) of financial assets and liabilities - Currency: Other currencies

Type/Residual maturity	on demand	up to 3 months	over 3 to 6 months	over 6 months to 1 year	over 1 to 5 years	over 5 to 10 years	over 10 years	Indefinite life
1. On-balance-sheet assets	**18.276**	**64.607**	**84**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	3.248	36.823	-	-	-	-	-	-
1.3 Loans to customers	15.028	27.784	84	-	-	-	-	-
- current a/c	3.046	-	-	-	-	-	-	-
- other loans	11.982	27.784	84	-	-	-	-	-
- with early redemption option	125	3.190	26	-	-	-	-	-
- other	11.857	24.594	58	-	-	-	-	-
2. On-balance-sheet liabilities	**22.663**	**70.100**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	22.663	-	-	-	-	-	-	-
- current a/c	22.663	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables due to banks	-	70.100	-	-	-	-	-	-
- current a/c	-	-	-	-	-	-	-	-
- other payables	-	70.100	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions								
+ long positions	-	14.278	-	-	-	-	-	-
+ short positions	-	14.278	-	-	-	-	-	-

2. Banking book - internal models and other methods for the sensitivity analysis

Banca Ifis uses the Ermas suite for the assessment of interest rate risk on the banking book, which, using a full evaluation approach, calculates risk exposures under the two headings required by current regulations (change in economic value and change in net interest income). This suite is enhanced by a behavioural model for the estimation of stocks and flows of funding components related to on-demand items.

2.3 Currency risk

Qualitative information

For qualitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Quantitative information

1. Breakdown of assets, liabilities and derivatives by currency

Items	Currencies					
	US DOLLAR	UK STERLING	JAPANESE YEN	ZLOTY	SWISS FRANC	OTHER CURREN-CIES
A. Financial assets	**54.431**	**9.391**	**53**	**20.310**	**838**	**7.141**
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	2.262	3.497	-	-	485	2.856
A.3 Loans to banks	17.672	442	53	20.069	353	1.483
A.4 Loans to customers	34.497	5.452	-	241	-	2.802
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**-**	**-**	**-**	**-**	**-**	**-**
C. Financial liabilities	**54.471**	**10.270**	**-**	**20.499**	**850**	**6.672**
C.1 Payables due to banks	52.330	10.266	-	-	850	6.653
C.2 Payables due to customers	2.141	4	-	20.499	-	19
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**148**	**6**	**-**	**-**	**-**	**-**
E. Financial derivatives						
- Options						
+ long positions	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-
- Other						
+ long positions	4	-	-	12	-	-
+ short positions	421	-	-	20.187	-	-
Total assets	**54.435**	**9.391**	**53**	**20.322**	**838**	**7.141**
Total liabilities	**55.040**	**10.276**	**-**	**40.686**	**850**	**6.672**
Imbalance (+/-)	**(605)**	**(885)**	**53**	**(20.364)**	**(12)**	**469**

2. Internal models and other methods for the sensitivity analysis

Banca Ifis does not have internal models for currency risk.

Section 3 - Derivative instruments and hedging policies

3.1 Derivative instruments held for trading

A. Financial derivatives

Please see paragraph "1.2 Market risks" of Section 2 of Part E of the Notes to the Consolidated Financial Statements.

A.1 Financial derivatives held for trading: year-end notional amounts

Underlying assets/ Types of derivatives	31.12.2024				31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counter-parties	Without central counterparties			Central counter-parties	Without central counterparties		
		With netting agree-ments	Without netting agree-ments			With netting agree-ments	Without netting agree-ments	
1. Debt securities and interest rates	**-**	**-**	**1.069.514**	**-**	**-**	**-**	**581.929**	**-**
a) Options	-	-	819.298	-	-	-	570.424	-
b) Swaps	-	-	250.216	-	-	-	11.505	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indexes	**-**	**-**	**129.379**	**-**	**-**	**-**	**25.393**	**-**
a) Options	-	-	129.379	-	-	-	25.393	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**1.198.893**	**-**	**-**	**-**	**607.322**	**-**

A.2 Financial derivatives held for trading: gross positive and negative fair value - breakdown by product

Types of derivatives	31.12.2024				31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counter parties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agree-ments	Without netting agree-ments			With netting agree-ments	Without netting agree-ments	
1. Positive fair value								
a) Options	-	-	1.549	-	-	-	430	-
b) Interest rate swaps	-	-	1.940	-	-	-	153	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**3.489**	**-**	**-**	**-**	**583**	**-**
2. Negative fair value								
a) Options	-	-	11.771	-	-	-	13.852	-
b) Interest rate swaps	-	-	1.994	-	-	-	153	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**13.765**	**-**	**-**	**-**	**14.005**	**-**

A.3 OTC financial derivatives held for trading: notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial corporations	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional amount	X	1.065.489	-	4.025
- positive fair value	X	1.813	-	127
- negative fair value	X	13.065	-	-
2) Equity securities and share indexes				
- notional amount	X	129.379	-	-
- positive fair value	X	1.549	-	-
- negative fair value	X	700	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and share indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives held for trading: notional amounts

Underlying assets/Residual life	Up to 1 year	Over 1 to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	448.547	376.362	244.605	**1.069.514**
A.2 Financial derivatives on equity securities and share indexes	129.379	-	-	**129.379**
A.3 Financial derivatives on exchange rates and gold	-	-	-	**-**
A.4 Financial derivatives on commodities	-	-	-	**-**
A.5 Other financial derivatives	-	-	-	**-**
Total 31.12.2024	**577.926**	**376.362**	**244.605**	**1.198.893**
Total 31.12.2023	**129.272**	**198.050**	**280.000**	**607.322**

B. Credit derivatives

B.1 Credit derivatives held for trading: year-end notional amounts

The case does not exist.

B.2 Credit derivatives held for trading: gross positive and negative fair value - breakdown by product

The case does not exist.

B.3 OTC credit derivatives held for trading: notional amounts, gross positive and negative fair value by counterparty

The case does not exist.

B.4 Residual life of OTC credit derivatives held for trading: notional amounts

The case does not exist.

B.5 Credit derivatives related to the fair value option: annual changes

The case does not exist.

3.2 Hedges

Qualitative information

A. Fair value hedging

Banca Ifis's hedges are designed to reduce the overall exposure to interest rate risk caused by movements in the interest rate curve, as well as to the price risk, caused by market fluctuations. Specifically, the hedging strategies relate to:

- a "package" of specific hedges on fixed-rate securities in the Proprietary Portfolio with which a "HTC" (Held to Collect) business model is associated. These are government bonds issued by the Italian government (BTPs) that pass the "SPPI test" prescribed by IFRS 9, and are therefore classified in the balance sheet item "Financial assets measured at amortised cost - receivables due from customers";
- specific hedges on certain fixed-rate securities in the Proprietary Portfolio with which a "HTC&S" (Held to Collect & Sell) business model is associated. These are foreign government securities that pass the "SPPI test" prescribed by IFRS 9, and are therefore classified in the balance sheet item "Financial assets measured at fair value through other comprehensive income";
- specific hedges on certain equity securities for which Banca Ifis has exercised the "OCI Option" envisaged by IFRS 9, and that are therefore classified in the balance sheet item "Financial assets measured at fair value through other comprehensive income".

In hedge accounting, the Bank applies standard IFRS 9 and, at the reference date of the Financial Statements, only adopts specific hedges (micro fair value hedges) and not general hedges (macro fair value hedges).

Within the micro fair value hedge, debt securities and equity securities on the asset side are hedged.

The main types of hedging derivatives used are:

- plain interest rate swaps (IRS), which are not listed on regulated markets but are traded on over-the-counter (OTC) circuits;
- put and call options.

B. Cash flow hedging

As at 31 December 2024, Banca Ifis does not engage in cash flow hedges.

C. Foreign investment hedges

As at 31 December 2024, Banca Ifis does not engage in net investment hedging in a foreign entity.

D. Hedging instruments

The main causes of ineffectiveness of the model adopted by the Bank for verifying the effectiveness of hedges are attributable to the following phenomena:

- mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of initial designation or generated thereafter, such as in the case of any partial disposals of the hedged securities;
- application of different curves on the hedging derivative and the hedged item for the purpose of performing the effectiveness test on fair value hedges. Derivatives are discounted to Overnight curves, while hedged items are discounted to the indexation curve of the hedging instrument;
- inclusion in the effectiveness test of the value of the variable leg of the hedging derivative, assuming a fair value hedge.

The ineffectiveness of the hedge is promptly detected for the purposes:

- the determination of the effect on the income statement or directly on comprehensive income (in the case of fair value hedges on equity securities measured at fair value through other comprehensive income);
- assessing whether or not hedge accounting rules can continue to be applied.

The Bank does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

E. Items hedged

The main types of items hedged are, at the reference date of the Financial Statements, debt securities and equity securities on the asset side. They are hedged in micro fair value hedge relationships, using interest rate swaps (IRS) and put and call options as hedging instruments.

Typically, the interest rate risk or price risk is generally hedged for all or most of the time for which the position is maintained in the portfolio.

To verify the effectiveness of the hedge, the Bank uses a prospective effectiveness test measured through the ratio of the delta fair value of each hedging instrument and the related hedged item based on sensitivity analysis of 100 bps on interest rates for debt securities, while the verification of the effectiveness of the hedge on equity securities is carried out through a prospective test on a -20% shock in the price of the underlying asset. The verification of hedging effectiveness through the prospectus described above is performed prior to the designation of the hedging relationship, as an ex-ante estimate, and is subsequently monitored on an ongoing basis and reported periodically to senior management.

Quantitative information

A. Financial hedging derivatives

A.1 Financial hedging derivatives: year-end notional amounts

Underlying assets/Types of derivatives	Total 31.12.2024				Total 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	**-**	**-**	**495.700**	**-**	**-**	**-**	**355.700**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	495.700	-	-	-	355.700	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indexes	**-**	**-**	**81.844**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	81.844	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**577.544**	**-**	**-**	**-**	**355.700**	**-**

A.2 Financial hedging derivatives: gross positive and negative fair value - breakdown by product

Types of derivatives	Positive and negative fair value								Change in value used to recognise hedge ineffectiveness	
	Total 31.12.2024				Total 31.12.2023				Total 31.12.2024	Total 31.12.2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparts	Without central counterparties			Central counterparts	Without central counterparties				
		With offsetting agreements	Without offsetting agreements			With offsetting agreements	Without offsetting agreements			
1. Positive fair value										
a) Options	-	-	5.972	-	-	-	-	-	1.746	-
b) Interest rate swaps	-	-	1.432	-	-	-	-	-	2.176	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**7.404**	**-**	**-**	**-**	**-**	**-**	**3.922**	**-**
2. Negative fair value										
a) Options	-	-	1.623	-	-	-	-	-	299	-
b) Interest rate swaps	-	-	13.245	-	-	-	11.644	-	922	11.644
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**14.868**	**-**	**-**	**-**	**11.644**	**-**	**1.221**	**11.644**

A.3 OTC financial hedging derivatives: notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial corporations	Other entities
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional amount	X	495.700	-	-
- positive fair value	X	1.432	-	-
- negative fair value	X	13.245	-	-
2) Equity securities and share indexes				
- notional amount	X	81.844	-	-
- positive fair value	X	5.972	-	-
- negative fair value	X	1.623	-	-
3) Currencies and gold				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional amount	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity securities and share indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial hedging derivatives: notional amounts

Underlying assets/Residual life	Up to 1 year	Over 1 to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	-	150.700	345.000	**495.700**
A.2 Financial derivatives on equity securities and share indexes	41.703	40.141	-	**81.844**
A.3 Financial derivatives on exchange rates and gold	-	-	-	**-**
A.4 Financial derivatives on commodities	-	-	-	**-**
A.5 Other financial derivatives	-	-	-	**-**
Total 31.12.2024	**41.703**	**190.841**	**345.000**	**577.544**
Total 31.12.2023	**-**	**94.200**	**261.500**	**355.700**

A. Credit hedging derivatives

B.1 Credit hedging derivatives: year-end notional amounts

The case does not exist.

B.2 Credit hedging derivatives: gross positive and negative fair value - breakdown by product

The case does not exist.

B.3 OTC credit hedging derivatives: notional amounts, gross positive and negative fair value by counterparty

The case does not exist.

B.4 Residual life of OTC credit hedging derivatives: notional amounts

The case does not exist.

C. Non-derivative hedging instruments

C.1 Hedging instruments other than derivatives: breakdown by accounting portfolio and type of hedge

The case does not exist.

D. Instruments hedged

D.1 Fair value hedges

	Specific hedges: carrying amount	Specific hedges - net positions: carrying amount of assets or liabilities (before netting)	Specific hedges			General hedges: Carrying amount
			Cumulative changes in the fair value of the hedged instrument	Termination of hedging: residual cumulative changes in fair value	Change in value used to recognise hedge ineffectiveness	
A. Assets						
1. Financial assets measured at fair value through other comprehensive income - hedges of:	**188.321**	**-**	**(1.288)**	**-**	**3.488**	**-**
1.1 Debt securities and interest rates	138.314	-	(2.388)	-	2.388	X
1.2 Equity securities and share indexes	50.007	-	1.100	-	1.100	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans and receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. Financial assets measured at amortised cost - hedge of:	**376.561**	**-**	**12.607**	**-**	**6**	**-**
2.1 Debt securities and interest rates	376.561	-	12.607	-	6	X
2.2 Equity securities and share indexes	-	-	-	-	-	X
2.3 Currencies and gold	-	-	-	-	-	X
2.4 Loans and receivables	-	-	-	-	-	X
2.5 Other	-	-	-	-	-	X
Total 31.12.2024	**564.882**	**-**	**11.319**	**-**	**3.494**	**-**
Total 31.12.2023	**378.003**	**-**	**12.613**	**-**	**12.613**	**-**
B. Liabilities						
1. Financial liabilities measured at amortised cost - hedge of:	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities and interest rates	-	-	-	-	-	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31.12.2024	**-**	**-**	**-**	**-**	**-**	**-**
Total 31.12.2023	**-**	**-**	**-**	**-**	**-**	**-**

D.2 Cash flow hedges and foreign investment hedges

The case does not exist.

E. Effects of hedging transactions on equity

E.1 Reconciliation of equity components

As at 31 December 2024, Banca Ifis's only hedge with an impact on equity was the micro fair value hedge on equity securities measured at fair value with an impact on comprehensive income, while it did not hedge cash flow hedges or net investment hedges in a foreign entity.

In addition, the Bank does not hold reserves relating to hedging instruments (non-designated items) for which changes during the year must be disclosed by type of hedge (a transaction or a period) pursuant to IFRS 9 paragraphs 6.5.15 and 6.5.16.

Therefore, the two compulsory tables prescribed by Bank of Italy Circular No. 262/2005 and subsequent updates are not applicable for the Bank, as these tables refer respectively to "cash flow hedges" or "net investment hedges in a foreign entity" and to reserves for hedging instruments (non-designated items).

For the sake of completeness, however, a reconciliation of the equity components for micro fair value hedges on equity securities measured at fair value through other comprehensive income is provided below. In this regard, the opening balances at 1 January 2024 of the relevant reserves are nil, as the micro fair value hedge strategy on equity securities measured at fair value through other comprehensive income was activated for the first time during 2024. As at 31 December 2024, the composition was as follows:

- net valuation reserves to hedge equity securities designated at fair value through other comprehensive income with a negative value of 131 thousand Euro net of the tax effect, comprising negative reserves of 1,1 million Euro on hedged equity securities and positive reserves of 1,0 million Euro on related hedging derivatives (put and call options);
- net revenue reserves totalling a negative value of 22 thousand Euro net of the tax effect, related to hedging strategies that ceased during 2024 following the sale of the related hedged items and subsequent closure of the associated derivatives, with simultaneous reversal to revenue reserves following the realisation of the associated valuation reserves. This value consists of positive reserves of 146 thousand Euro on equity securities that were hedged and negative reserves of 169 thousand Euro on related derivatives that were designated as hedges (put and call options).

For more details on the movement of these reserves, please refer to 'Part D - Consolidated statement of comprehensive income' of these Notes to the Financial Statements.

3.3 - Other information on derivative instruments for trading and hedging

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values for counterparties

	Central counterparties	Banks	Other financial corporations	Other entities
A. Financial derivatives				
1) Debt securities and interest rates				
- notional amount	-	1.561.189	-	4.025
- net positive fair value	-	3.245	-	127
- net negative fair value	-	26.310	-	-
2) Equity securities and share indexes				
- notional amount	-	211.223	-	-
- net positive fair value	-	7.521	-	-
- net negative fair value	-	2.323	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
B. Credit derivatives				
1) Protection purchase				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-
2) Protection sale				
- notional amount	-	-	-	-
- net positive fair value	-	-	-	-
- net negative fair value	-	-	-	-

Section 4 - Liquidity risk

Qualitative information

For qualitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Quantitative information

1. Breakdown by residual contractual duration of financial assets and liabilities - Currency: Euro

Items/Duration	On demand	Over 1 to 7 days	Over 7 to 15 days	Over 15 days to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 5 years	Over 5 years	Indefinite life
A. Cash assets	**1.038.478**	**48.580**	**203.522**	**597.148**	**1.395.325**	**647.661**	**1.235.838**	**4.073.468**	**2.027.004**	**74.383**
A.1 Government bonds	270	-	522	2.000	19.028	22.685	372.344	748.300	967.550	-
A.2 Other debt securities	11.049	3.393	750	28.350	24.846	32.933	76.442	515.341	774.170	-
A.3 UCITS units	90.155	-	-	-	-	-	-	-	-	-
A.4 Loans	937.004	45.187	202.250	566.798	1.351.451	592.043	787.052	2.809.827	285.284	74.383
- banks	337.150	44	25.024	1.301	2.173	22	43	60.205	-	73.189
- customers	599.854	45.143	177.226	565.497	1.349.278	592.021	787.009	2.749.622	285.284	1.194
B. On-balance-sheet liabilities	**903.191**	**61.872**	**1.051.830**	**873.629**	**831.846**	**497.458**	**1.142.707**	**5.179.176**	**399.599**	**-**
B.1 Deposits and current accounts	901.039	61.317	137.690	227.360	753.822	474.734	1.028.107	2.094.813	-	-
- banks	728	-	49.997	-	-	-	-	-	-	-
- customers	900.311	61.317	87.693	227.360	753.822	474.734	1.028.107	2.094.813	-	-
B.2 Debt securities	4	-	2	18.296	21.995	-	53.672	1.413.346	-	-
B.3 Other liabilities	2.148	555	914.138	627.973	56.029	22.724	60.928	1.671.017	399.599	-
C. Off-balance-sheet transactions	**253.917**	**1.196**	**5.000**	**9.500**	**2.701**	**19.390**	**22.542**	**240.008**	**61.193**	**-**
C.1 Financial derivatives with exchange of underlying assets										
- long positions	-	420	-	-	-	-	21.929	-	-	-
- short positions	-	776	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of underlying assets										
- long positions	3.489	-	-	-	-	-	-	-	-	-
- short positions	13.765	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable loan commitments										
- long positions	35.226	-	5.000	6.500	1.564	13.321	613	193.570	31.740	-
- short positions	201.437	-	-	3.000	1.137	6.069	-	46.438	29.453	-
C.5 Financial guarantees granted	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

1. Breakdown by residual contractual duration of financial assets and liabilities - Currency: Other currencies

Items/Duration	On demand	Over 1 to 7 days	Over 7 to 15 days	Over 15 days to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 5 years	Over 5 years	Indefinite life
A. Cash assets	**10.967**	**36.860**	**6.527**	**7.522**	**23.564**	**389**	**-**	**6**	**-**	**-**
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	6	-	-
A.3 UCITS units	2.262	-	-	-	-	-	-	-	-	-
A.4 Loans	8.705	36.860	6.527	7.522	23.564	389	-	-	-	-
- banks	3.261	36.860	-	-	-	-	-	-	-	-
- customers	5.444	-	6.527	7.522	23.564	389	-	-	-	-
B. On-balance-sheet liabilities	**22.663**	**-**	**49.187**	**20.966**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	22.663	-	29.884	11.340	-	-	-	-	-	-
- banks	-	-	29.884	11.340	-	-	-	-	-	-
- customers	22.663	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	19.303	9.626	-	-	-	-	-	-
C. Off-balance-sheet transactions	**-**	**28.993**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of underlying assets										
- long positions	-	16	-	-	-	-	-	-	-	-
- short positions	-	421	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable loan commitments										
- long positions	-	14.278	-	-	-	-	-	-	-	-
- short positions	-	14.278	-	-	-	-	-	-	-	-
C.5 financial guarantees granted	-	-	-	-	-	-	-	-	-	-
C.6 financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of underlying assets										
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Self-securitisation transactions

As of July 2023, Banca Ifis no longer has any self-securitisation transactions. Refer to paragraph "C. Securitisations", sub-paragraph "Indigo Lease Securitisation" for a description of the transaction.

Securitisation transactions

As for the securitisations outstanding at 31 December 2024 and their purpose, see the comments in the section on credit risks.

Section 5 - Operational risks

Qualitative information

For qualitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Quantitative information

For quantitative information, please refer to Part E in the Notes to the Consolidated Financial Statements in this document.

Part F - Information on equity

Section 1 - Equity

A. Qualitative information

Managing equity concerns a set of policies and decisions necessary to establish capital levels that are consistent with the assets and risks taken by the Bank. The Bank is subject to the capital adequacy requirements established by the so-called Basel Committee (CRR/CRD IV).

The Board of Directors constantly monitors that the Bank meets the minimum supervisory requirements, and therefore the capital adequacy ratios, as well as complies with the capital limits set out in the Risk Appetite Framework (RAF).

Furthermore, also in accordance with the European Central Bank (ECB)'s recommendation of 28 January 2015, the Bank ensures compliance with capital adequacy ratios through a pay-out policy linked to the achievement of the above minimum capital requirements, as well as the careful assessment of the potential impact of extraordinary financial operations (share capital increases, convertible loans, etc.).

The Bank's capital adequacy is further assessed and monitored every time an extraordinary operation is planned. In this case, based on available information regarding the operation to be implemented, the Bank estimates the impact on capital adequacy ratios as well as the RAF, and considers any measures necessary to meet the requirements.

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 year, Banca Ifis, as variable pay, awarded the Top Management 104.132 treasury shares at an average price of 12,32 Euro, for a total of 1,3 million Euro and a nominal amount of 104.132 Euro, making profits of 437 thousand Euro that, in application of the provisions of Bank of Italy Circular no. 262/2005 and subsequent updates, were recognised under the equity reserve “Issue premiums”.

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

Considering the above operations, the stock at the end of the year was 1.238.886 treasury shares, with an equivalent value of 21,0 million Euro and a nominal amount of 1.238.886 Euro.

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

B. Quantitative information

B.1 Company's equity: breakdown

Equity items	31.12.2024	31.12.2023
1. Share capital	53.811	53.811
2. Share premiums	85.391	84.108
3. Reserves	1.222.740	1.201.178
- profits	1.218.258	1.196.851
a) legal reserve	10.762	10.762
b) statutory reserve	-	-
c) treasury shares	20.971	21.817
d) other	1.186.525	1.164.272
- other	4.482	4.327
3.5 Interim dividends (-)	(63.084)	(62.962)
4. Equity	-	-
5. (Treasury shares)	(20.971)	(21.817)
6. Valuation reserves:	(22.823)	(33.085)
- Equity securities measured at fair value through other comprehensive income	(6.553)	(14.369)
- Hedging of equity securities measured at fair value through other comprehensive income	(131)	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	(16.597)	(18.990)
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Foreign investment hedges	-	-
- Cash flow hedges	-	-
- Hedging instruments (non-designated items)	-	-
- Exchange differences	-	-
- Non-current assets and disposal groups	-	-
- Financial liabilities measured at fair value through profit or loss (changes in own credit risk)	-	-
- Actuarial gains (losses) on defined benefit pension plans	458	274
- Share of valuation reserves of equity accounted investments	-	-
- Specific revaluation laws	-	-
7. Profit (loss) for the year	139.303	143.404
Total	**1.394.367**	**1.364.637**

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts	31.12.2024		31.12.2023	
	Positive reserve	Negative reserve	Positive reserve	Positive reserve
1. Debt securities	2.713	(19.310)	1.018	(20.008)
2. Equity securities	5.263	(11.816)	2.958	(17.327)
3. Loans	-	-	-	-
Total	**7.976**	**(31.126)**	**3.976**	**(37.335)**

B.3 Valuations reserves for financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	**(18.990)**	**(14.369)**	**-**
2. Increases	**12.645**	**13.459**	**-**
2.1 Fair value gains	11.730	1.820	-
2.2 Credit risk losses	271	-	-
2.3 Reclassification to profit or loss of negative reserves from sale	644	-	-
2.4 Transfers to other components of equity (equity securities)	-	11.639	-
2.5 Other changes	-	-	-
3. Decreases	**(10.252)**	**(5.643)**	**-**
3.1 Fair value losses	(651)	(5.600)	-
3.2 Reversals of credit risk losses	(754)	-	-
3.3 Reclassification to profit or loss of positive reserves from sale	(8.847)	-	-
3.4 Transfers to other components of equity (equity securities)	-	(13)	-
3.5 Other changes	-	(30)	-
4. Closing balance	**(16.597)**	**(6.553)**	**-**

B.4 Valuation reserves for defined benefit plans: annual changes

The valuation reserve relative to defined benefit plans has a positive balance at 31 December 2024 of 458 thousand Euro. The increase of 184 thousand Euro in the item, compared to the positive value of 274 thousand Euro at the end of the previous year, was due to an increase in the reserve for staff severance indemnities of about 133 thousand Euro and the increase in the reserve for the health fund in favour of certain employees of 51 thousand Euro, mainly as a result of the revision of the underlying assumptions (such as the discount rate and annual turnover rate) following the changed macroeconomic context.

Section 2 - Own funds and prudential ratios

Pursuant to the provisions of Bank of Italy Circular 262/2005 and subsequent updates, the section on Own Funds and Capital Ratios is replaced with a reference to the similar information contained in the "Pillar III" public disclosure, i.e. the document "Disclosure to the Public as of 31 December 2024 - Pillar III" prepared at 31 December 2024 by Banca Ifis, available on the website www.bancaifis.it in the "Investor Relations & Corporate Development" section.

Part G - Business combinations

Section 1 - Transactions carried out during the year

This section provides the information on business combinations required by IFRS 3 in paragraphs 59, letter a), 60 and 63. Moreover, in application of the Bank of Italy provisions set forth in Circular 262/2005 and subsequent updates, this section also conventionally includes any business combination transactions between entities subject to common control (referred to as "business combination between entities under common control").

1.1 Business combinations

The Bank did not carry out any business combinations during the year.

Section 2 - Transactions carried out after the end of the year

The Bank did not carry out any business combination between the end of the year and the date of preparation of this document.

Section 3 - Retrospective adjustments

In 2024, the Group did not make any retrospective adjustment to business combinations carried out in previous periods.

Part H - Related-party transactions

In compliance with the provisions of Consob resolution No. 17221 of 12 March 2010 (as subsequently amended by means of Resolution No. 17389 of 23 June 2010) and the provisions of Bank of Italy Circular 263/2006 (Title V, Chapter 5), the "Group Policy covering transactions with related parties, associates and corporate representatives pursuant to Art. 136 of the Consolidated Law on Banking" was prepared. This document is publicly available on Banca Ifis's website, www.bancaifis.it, in the "Corporate Governance" Section.

During FY 2024, there were no transactions with related parties that materially affected the Bank's financial position or results; there were also no major transactions carried out with related parties, as defined by the Group's policies pursuant to Article 4 of the Consob regulation on related party transactions.

At 31 December 2024, the Banca Ifis Group was owned by La Scogliera S.A. and consists of the Parent Company Banca Ifis S.p.A., the wholly-owned subsidiaries Ifis Finance Sp. z o.o., Ifis Rental Services S.r.l., Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A. and Cap.Ital.Fin. S.p.A., of Ifis Finance I.F.N. S.A. controlled 99,99%, the 87,74% owned subsidiary Banca Credifarma S.p.A. and the vehicle Ifis NPL 2021-1 SPV S.r.l., in which the Group holds the majority of the shares.

The types of related parties, as defined by IAS 24, that are relevant for Banca Ifis include:

- the parent company La Scogliera S.A.;
- the subsidiaries;
- key management personnel;
- close relatives of key management personnel and the companies controlled by (or associated to) them or their close relatives.

Here below is the information on the remuneration of key management personnel as well as transactions undertaken with the different types of related parties.

1. Information on the remuneration of key management personnel

The definition of key management personnel, as per IAS 24, includes all those persons having authority and responsibility for planning, directing and controlling the activities of Banca Ifis, directly or indirectly, including the Bank's directors (whether executive or otherwise).

In compliance with the provisions of the Bank of Italy's Circular No. 262 of 22 December 2005 as subsequently updated, key management personnel also include the members of the Board of Statutory Auditors.

Key management personnel in office at 31 December 2024

Figures in thousands of Euro	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	
					Stock options	Other share-based payments
Administrative and auditing bodies (1)	4.895	-	178	-	103	350
Other managers (2)	6.471	44	718	311	36	1.419
Total at 31.12.2024	**11.366**	**44**	**896**	**311**	**139**	**1.769**

(1) These refer to positions on the Board of Directors (or similar bodies) of the Parent Company Banca Ifis.
(2) They refer to managers with the position of Co-General Manager or other Key Manager of the Parent Company Banca Ifis

The above information includes fees paid to Directors (5,2 million Euro, gross amount) and Statutory Auditors (361 thousand Euro, gross amount). Post-employment benefits amounting to 44 thousand Euro refer to the health insurance policy taken out during the year for executives terminating their employment due to retirement.

2. Information on related-party transactions

Here below are the assets, liabilities, guarantees and commitments outstanding at 31 December 2024, broken down by type of related party pursuant to IAS 24.

Related party transactions: balance sheet and off-balance sheet items

Items	Parent company	Subsidia-ries	Key management personnel	Other related parties	Total	As a % of the item
Cash and cash equivalents	-	52.057	-	-	**52.057**	15,6%
Financial assets measured at fair value through profit or loss	-	-	-	20.920	**20.920**	8,9%
Financial assets measured at fair value through other comprehensive income	-	-	-	418	**418**	0,1%
Receivables due from banks measured at amortised cost	-	60.007	-	**-**	**60.007**	7,9%
Receivables due from customers measured at amortised cost	-	1.231.084	1.732	8.612	**1.241.428**	13,3%
Other assets	3.756	25.711	-	1.510	**30.977**	9,3%
Total assets	**3.756**	**1.368.859**	**1.732**	**31.460**	**1.405.807**	**11,0%**
Payables due to banks measured at amortised cost	-	709	-	-	**709**	0,1%
Payables due to customers measured at amortised cost	-	1.399.753	1.566	4.984	**1.406.303**	17,2%
Other liabilities	8	744	-	-	**752**	0,3%
Valuation reserves	-	-	-	(648)	**(648)**	2,8%
Total liabilities	**8**	**1.401.206**	**1.566**	**4.336**	**1.407.116**	**11,0%**
Commitments and guarantees granted	-	204.808	724	7.339	**212.870**	n.a.

Related party transactions: income statement items

Items	Parent company	Subsidia-ries	Key management personnel	Other related parties	Total	As a % of the item
Interest receivable	-	52.299	26	-	**52.325**	8,5%
Interest expense	-	(3.324)	(25)	(8)	**(3.357)**	0,8%
Commission income	-	174	-	3	**177**	0,2%
Commission expense	-	(419)	-	-	**(419)**	3,5%
Administrative expenses	(1.037)	1.548	-	-	**511**	(0,2)%
Other operating income and expenses	-	25.074	2	146	**25.222**	46,2%

Balances vis-à-vis the parent company La Scogliera S.A. reflect the normal exchange of goods and services with the parent company.

Transactions with other related parties that are part of Banca Ifis's ordinary business are conducted at arm's length. As at 31 December 2024, 6,9 million Euro recorded under tangible assets and attributable to activities, mainly carried out in previous years, for the renovation of some buildings owned by Banca Ifis by a subsidiary of a minority shareholder of the Parent Company; a further 1,5 million Euro was recognised under other assets for the supply of goods and services.

Other information

With reference to Paragraph 8 of Article 5 "Public disclosure of related-party transactions" of the Consob Regulation containing provisions on related party transactions (adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended), there were no significant transactions concluded in FY 2024.

Part I - Share-based payments

Qualitative information

1. Description of share-based payment agreements

Below are the equity-based payment arrangements, as defined by IFRS 2, for the Bank's staff. A variable remuneration arrangement is in place for all employees.

Access to the variable portion for all personnel is subject to compliance with the conditions for access (so-called "gate") provided for by the following indicators measured at year-end:

- Return On Risk-Adjusted Capital (RORAC) at Group level, defined as the ratio between consolidated net profit and Capital absorbed by Pillar 1 risks (i.e. 8% of Pillar 1 Risk Weighted Assets), above the tolerance threshold defined annually in the Banca Ifis Group's Risk Appetite Framework (RAF) at consolidated level;
- compliance with the tolerance threshold, higher than the minimum regulatory limit, of the Group's Liquidity Coverage Ratio (LCR) indicator, as defined annually in the Banca Ifis Group's RAF at a consolidated level in compliance with current supervisory regulations;
- compliance with the tolerance threshold, higher than the minimum regulatory limit, of the Group's Net Stable Funding Ratio (NSFR) indicator, as defined annually in the Banca Ifis Group's RAF at a consolidated level in compliance with current supervisory regulations;
- Consolidated Total Capital Ratio above the tolerance threshold defined annually in the Banca Ifis Group RAF at consolidated level, which exceeds the Overall Capital Requirement announced by the Supervisory Body as part of the “Capital Decisions” following the periodic Supervisory Review and Evaluation Process (SREP).

Failure to meet one of these conditions will result in variable pay not being awarded.

Without prejudice to the opening of the gates to the payment of variable remuneration described above, the variable remuneration of the Chief Executive Officer of the Bank is linked to the achievement of specific qualitative and quantitative performance targets.

In particular, the CEO is the recipient of a Short-Term Incentive System ("STI"). He was also assigned a “2021-2023 Long Term Incentive Plan” (the "LTI Plan"), which vested on 31 December 2023, for which please refer to the disclosure in the specific paragraph in this section.

With reference to the Short-term Incentive (STI) System, the objectives assigned to the CEO represent a combination of quantitative and qualitative criteria, referring to the Bank's results, as well as qualitative aspects relating to strategic action.

The performance scorecard includes the declination of the following KPIs:

- Economic-financial KPIs with a weight of 65%, structured over three specific drivers (profitability, credit cost and efficiency), consistent with the Bank's objectives;
- KPI of strategy and sustainability with a weight of 35%, which aim to assess the achievement of strategic directives, as well as the achievement of corporate objectives in the ESG area.

The short-term variable remuneration cap payable to the CEO is set at 60% of fixed remuneration; variable remuneration will accrue on the basis of the degree of achievement of objectives, with variable remuneration being paid on a linear progression between 60% and 100%.

This variable component is paid in the amount of 40% with a non-deferred payment (up front) and in the amount of 60% with a deferred payment over a period of five years (starting from the year following the year in which the up front portion accrues), in accordance with the provisions of the relevant supervisory regulations for variable remuneration of particularly high amounts.

The deferred portion of variable remuneration (amounting to 60%) shall be paid as follows:

- 55% (i.e. 33% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year;
- 45% (i.e. 27% of the total variable remuneration) in cash, subject to annual revaluation at the legal rate in force over time.

The portion of variable remuneration up front (40%) and is paid as follows:

- 50% (i.e. 20% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year;
- 50% (i.e. 20% of total variable remuneration) paid in cash.

It is understood that the allocation of Banca Ifis shares will affect, in addition to the Chief Executive Officer and the Co-General Managers, the employees identified as most relevant pursuant to Circular No. 285/2013 and Delegated Regulation No. 923/2021 where the variable component of remuneration is above 50 thousand Euro or represent more than a third of the annual total remuneration.

For the purpose of assigning variable remuneration in financial instruments, or in Banca Ifis shares, the Bank calculates the fair value of the share - at the time of the assignment - based on the average stock market price with reference to the month prior to the date of approval of the Banca Ifis Financial Statements by the Shareholders' Meeting (or, in the case of assignment of variable remuneration for any reason subsequent to the Shareholders' Meeting, from the date of the event, this being understood to mean any dates of signing of agreements or in the absence thereof, the dates of approval by the competent bodies of the related awards). The number of shares is determined by rounding to the nearest integer.

Variable pay is subject to malus/clawback mechanisms that may cause the amount to be as low as zero if certain conditions are met.

Long Term Incentive (LTI) Plan 2021-2023 for the Chief Executive Officer, Co-General Managers and other employees

LTI Plan for the CEO

The Chief Executive Officer of Banca Ifis is also the recipient of a Long Term Incentive (LTI) Plan 2021-2023, approved by the Board of Directors on 24 June 2021 and by the Shareholders' Meeting of the Parent Company on 28 July 2021 and which vested on 31 December 2023. The Plan provided for the assignment to the CEO, free of charge, of a certain number of options that will give the right to purchase, at a unit exercise price (the "strike price") equal to 12,92 Euro, a corresponding number of Banca Ifis shares.

The Plan granted the CEO of the Bank the right to receive up to a maximum of 696.000 options at the end of the vesting period and on achievement of the objectives of the Plan.

Considering the vesting of the Plan on 31 December 2023 at the end of the three-year vesting period (2021-2023), and the options will become exercisable after an additional year of retention, subject to the circumstance that the relationship between the Bank and the CEO is still in place, and that pre-determined quantitative and qualitative, financial and non-financial targets, linked to the Bank's long-term strategies, have been achieved.

The final results confirmed the attainment of the minimum level with reference to the TSR objectives and the maximum level with reference to the economic-financial and ESG indicators. Consequently, on the basis of the resolution of the Shareholders' Meeting of Banca Ifis of 18 April 2024, the Chief Executive Officer was assigned 609.000 option rights, which will be exercisable after a one-year retention period in accordance with the regulatory time-line.

Also for the 2021-2023 LTI Plan, options are granted to the CEO 40% as up front and 60% as deferred over 5 years.

LTI Plan for Co-General Managers and other Group employees

As envisaged in the Plan approved by the Shareholders' Meeting of 28 July 2021, and in execution of the mandate granted to the Board of Directors on that occasion, on 9 June 2022, the latter resolved to include 13 "additional beneficiaries" in the LTI Plan, apart from the CEO, assigning them the same objectives already envisaged for the

Chief Executive Officer and illustrated in the 2022 Remuneration Policy. These additions to the Plan were then approved by the Shareholders' Meeting of Banca Ifis on 28 July 2022.

Also for these additional beneficiaries, represented by high-level managers (including 12 key managers and Co-General Managers), the Plan provides for the assignment of a certain number of options that will entitle them to purchase, free of charge and always at a strike price per share of 12,92 Euro, a corresponding number of Banca Ifis shares.

A further addition to this Plan, proposed by the Board of Directors and approved by the Shareholders' Meeting held on 20 April 2023, concerned operational aspects of the Plan's mechanics (which otherwise remains unchanged in all its essential and structural elements, as already approved at the aforementioned Shareholders' Meetings). In particular, the integration consisted in recognising the possibility for beneficiaries, at the opening of each option exercise window, to postpone the exercise of all or part of any options that may have vested and may already be exercised in that window in the subsequent "exercise windows" provided for by the Plan.

It is also noted that during the first half of 2023, the resignation of an executive with strategic responsibility included in the Plan took place, with the consequent loss of his status as a beneficiary of the Plan.

As a result of the aforementioned changes in 2022 and 2023, the Plan's beneficiaries, apart from the CEO, total 12, including 11 executives with strategic responsibilities, and the maximum amount of options assignable is 300.000 (originally 320.000).

This Plan also vested on 31 December 2023 at the end of the vesting period, and the options will become exercisable after an additional year of retention, subject to the circumstance that the relationship between the Bank and the beneficiaries is still in place, and that pre-determined quantitative and qualitative, financial and non-financial targets, linked to the Bank's long-term strategies, have been achieved.

The aforementioned options are counted for each of the beneficiaries, for the purpose of calculating the ratio between fixed and variable remuneration, 50% for FY 2022 and the remaining 50% for FY 2023.

For the TSR and gross profit targets, the calculation was carried out for the two-year vesting period, while for the other targets the calculation was based on the results achieved as at 31 December 2023 (thus considering the entire duration of the 2021 - 2023 Plan).

The outcome of the Plan's finalisation found that the TSR objectives were not achieved in view of the two-year vesting period instead of the three-year period; the other objectives were achieved at the maximum level. Consequently, by resolution of the Shareholders' Meeting of Banca Ifis of 18 April 2024 for the remaining 12 beneficiaries, a total of 225.000 option rights were assigned, which will be exercisable at the end of the one-year retention period.

Accounting representation as at 31 December 2024

At an accounting level, this stock option plan has been accounted for in accordance with the provisions of IFRS 2 for equity settled transactions. In view of the difficulty of reliably assessing the fair value of the services received as consideration for stock options, reference is made to the initial fair value of the latter.

The fair value of the payments settled by the issuance of these options for the services covered by the LTI Plan is recognised as an expense in the income statement under "Administrative Expenses: a) Personnel Expenses" as an offsetting entry to "Reserves" in Equity on an accrual basis in proportion to the vesting period over which the service is provided. For FY 2024, the corresponding cost recognised in the Income Statement amounts to 155 thousand Euro, while the corresponding equity reserve (which also includes the portion of cost accrued in FYs 2021, 2022 and 2023) totals 2,2 million Euro and is associated with only the stock options effectively assigned by resolution passed by the Shareholders' Meeting on 18 April 2024.

For more details on the Bank's equity-based payment arrangements, refer to the “2024 Report on Remuneration Policy and Remuneration Paid”, prepared pursuant to Article 123 ter of the TUF, available in the “Corporate governance” subsection of the “Remuneration” section of the corporate website www.bancaifis.it, where the remuneration policy valid for FY 2024 is illustrated.

Quantitative information

1. Annual changes

Items / Number of options and strike price	Total 31.12.2024			Total 31.12.2023		
	Number of options	Average strike prices	Average maturity	Number of options	Average strike prices	Average maturity
A. Opening balance	**-**	**-**	**n.a.**	**-**	**n.a.**	**n.a.**
B. Increases	**834.000**	**12,92**	**X**	**-**	**-**	**X**
B.1 New issues	834.000	12,92	Dec-30	-	n.a.	n.a.
B.2 Other changes	-	-	X	-	n.a.	X
C. Decreases	**-**	**-**	**X**	**-**	**-**	**X**
C.1 Cancelled	-	-	X	-	n.a.	X
C.2 Exercised	-	-	X	-	n.a.	X
C.3 Matured	-	-	X	-	n.a.	X
C.4 Other changes	-	-	X	-	n.a.	X
D. Closing balance	**834.000**	**12,92**	**Dec-30**	**-**	**-**	**n.a.**
E. Options that can be exercised at the end of the year	**-**	**-**	**X**	**-**	**n.a.**	**X**

The above table of annual changes is corroborated only for options related to the 2021-2023 Long Term Incentive (LTI) Plan that expired on 31 December 2023. As instead regards the share-based payment agreements intended by way of short-term incentive ("STI"), these do not fall within the category concerned by said table.

With regard to the stock options connected to the LTI Plan that expired on 31 December 2023, as described in the previous paragraphs, they were granted during 2024 and will be exercisable after a further year of retention starting from 31 December 2023 (they will therefore be exercisable from 1 January 2025). As of 31 December 2024, therefore, there are no stock options exercisable.

2. Other information

If a result is achieved that equals or exceeds 100% of the annual targets assigned, the variable component of Top Management will be considered as accrued in the amount of 100% of its value; the number of shares to be attributed will be in any case calculated as described above.

Part L - Segment reporting

In accordance with IFRS 8, Banca Ifis S.p.A., Parent company of the Banca Ifis Group, presents the Segment reporting in Part L of the Notes to the Consolidated Financial Statements in this document.

Part M - Leasing disclosure

Section 1 - Lessee

Qualitative information

As lessee, the Bank has stipulated lease contracts on properties mainly to be used instrumentally. They are therefore leases of properties intended to host internal offices. As the lease business is correlated to the Bank's need to offshore its offices, particularly close attention is paid to identifying the most suitable properties for use, designated in line with the economic criteria established by the company.

At 31 December 2024, there are 51 passive lease contracts for buildings and 8 for car parking spaces, the related right of use booked is 14,6 million Euro, whilst the corresponding lease liabilities come to 15,3 million Euro. The Bank also has a property in Florence, financially leased as described in "Part B - Information on the Statement of financial position".

At year end, the Bank holds 307 contracts for motor vehicles. They are mainly long-term hires of structure cars and fringe benefits for employees; the related right of use and corresponding lease liability is 3,6 million Euro at 31 December 2024. In accordance with IFRS 16, the total right of use recognised in the balance sheet under leasing liabilities amounts to 21,2 million Euro at the end of December 2024.

Banca Ifis is not exposed to outgoing cash flows, which are not already reflected in the measurement of the leasing liabilities. In greater detail, exposure deriving from the extension options are included in lease liabilities booked, insofar as the Bank considers the first renewal as certain; the other situations recalled by the standard (variable payments connected with leasing, guarantees of residual value, lease commitments that are not operative) are not present for the contracts stipulated as lessee.

The Bank books the following as costs:

- short-term leases in the event of assets such as properties and technologies (in particular, the mainframe hardware), when the related contracts have a maximum term of twelve months and have no option for extension;
- leases of low-value assets (in accordance with the option granted by paragraph 5 of IFRS 16), i.e. characterised with a value of less than 5 thousand Euro, mainly related to mobile telephony.

Quantitative information

The table below provides indication on the amortisation/depreciation cost for assets consisting of the right of use, broken down by classes of underlying asset.

AMORTISATION/DEPRECIATION COSTS FOR ASSETS COMPRISING THE RIGHT OF USE (in thousands of Euro)	31.12.2024	31.12.2023
a) Land	-	-
b) Buildings	2.180	2.045
c) Furniture	-	-
d) Electronic equipment	461	157
e) Other	1.690	1.312
Total	**4.331**	**3.514**

Section 2 - Lessor

Qualitative information

The Bank operates on the market with fixed or variable-rate financial leasing solutions for vehicles (cars, commercial and industrial vehicles) and instrumental assets (industrial machinery, medical equipment, technological assets) to both private customers and small and medium enterprises through an internal commercial structure and a network of selected agents in financial assets throughout the whole of national territory. The leasing of instrumental assets is also distributed through relations with manufacturers, distributors and retailers. With reference to the specific financial leasing segments:

- in 2024, the automotive segment recorded an increase compared to 2023 both in terms of the number of vehicles (+3,2%) and value financed (+7,3%). Particularly noteworthy is the positive performance of the commercial vehicle segment with +11,4%, compared to 2023, and of commercial vehicles with +19,6%. In this segment, the Bank has signed contracts for approximately 377,8 million Euro (+3,5% compared with the amount disbursed in 2023);
- the capital goods sector in Italy declined by -12,9% in 2024 compared to the figure for 2023. The Bank recorded a decrease of -20,5% in the industrial goods segment compared to 2023.

As lessor, the Bank does not stipulate lease contracts for properties for commercial use or accommodation with third parties or other Group companies.

In referring to the greater detail given in the Directors' Report of the Group in this document, it is there pointed out that the lease agreements stipulated with customers enable the management of risk on the underlying assets in line with the Bank’s policy, as there is no provision for buy-back agreements, guarantees on residual value or variable payments. The Bank therefore books the financial lease in accordance with accounting standard IFRS 16 and classifies the transactions amongst financial assets measured at amortised cost.

Quantitative information

1. Information from the statement of financial position and income statement

For information on finance leases, reference is made to the contents of Section 4, Assets, of Part B of these individual Notes. As regards interest income on lease loans, reference is made to the contents of Section 1 of "Part C - Information on the Income Statement"; for commissions, refer to Section 2 of Part C and, finally, for other income, refer to Section 14, again of Part C of these individual Notes.

2. Finance leases

2.1. Classification by time frames of payments to be received and reconciliation with the leasing loans entered under assets

Time frames	31.12.2024	31.12.2023
	Payments to be received for leasing	Payments to be received for leasing
Up to 1 year	99.713	91.696
Over 1 to 2 years	213.905	200.027
Over 2 to 3 years	355.603	316.150
Over 3 to 4 years	441.146	438.561
Over 4 to 5 years	437.348	438.810
Over 5 years	62.171	83.080
Total payments to be received for leasing	**1.609.886**	**1.568.324**
RECONCILIATION WITH LOANS		
Financial gains not accrued (-)	(182.898)	(173.038)
Residual value not guaranteed (-)	-	-
Financing for leasing	**1.426.988**	**1.395.286**

The table shows the classification by time frame of payments receivable for leasing and the reconciliation of such payments and lease loans as lessor. Finally, the table does not show impairment losses totalling 29,8 million Euro at 31 December 2024 (32,9 million Euro in 2023).

2.2 Other information

There is no further information to report than that presented in the preceding paragraphs.

3. Operating leases

3.1 Classification by time frames of payments to be received

The case does not exist.

3.2 Other information

There is no further information to report than that presented in the preceding paragraphs.

Venice - Mestre, 6 March 2025

For the Board of Directors

The CEO

Frederik Herman Geertman

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

Attestations and reports

Banca Ifis

Certification of the Annual Financial Statements at 31 December 2024 pursuant to Article 154-bis, paragraph 5, of Italian Legislative Decree No. 58 of 24 February 1998 and Art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

1. We, the undersigned, Frederik Herman Geertman – CEO and Massimo Luigi Zanaboni - Manager charged with preparing the Company's financial reports of Banca Ifis S.p.A., having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:

    i. the adequacy in relation to the characteristics of the business;

    ii. the actual application of the administrative and accounting procedures for the preparation of the Annual Financial Statements, during the period 1 January 2024 - 31 December 2024.

2. The adequacy of the administrative and accounting procedures in place for preparing the financial statements has been assessed through a process established by Banca Ifis S.p.A. on the basis of the guidelines set out in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO), an internationally accepted reference framework.

3. The undersigned further confirm that:

    3.1 the Financial statements:

    a) have been prepared in accordance with the Accounting Standards applied recognized by the European Union pursuant to (EC) Regulation No. 1606/2002 of the European Parliament and the Council of 19 July 2002;

    b) correspond to the accounting books and records;

    c) provide a true and correct representation of the financial position of the issuer.

    3.2 The Directors' Report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertainties it is exposed to.

Venice - Mestre, 6 March 2025

CEO	Manager Charged with preparing the Company's financial reports
Frederik Herman Geertman	Massimo Luigi Zanaboni

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

Board of Statutory Auditors' report

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING

(Pursuant to article 153, of Legislative Decree no. 58/1998 and Article 2429, paragraph 2 of the Italian Civil Code)

(Translation from the original Italian text)

Dear Shareholders,

The Board of Statutory Auditors of Banca Ifis S.p.A. (hereinafter also "Banca Ifis" or the "Bank" or "Ifis"), pursuant to Article 153 of Legislative Decree no. 58/1998 and Article 2429, paragraph 2, of the Italian Civil Code, is required to report to the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2024 on the supervisory activity performed during the year in compliance with the duties attributed to it by Article 149 of the aforementioned legislative decree.

Background

During FY 2024, the Board of Statutory Auditors (hereinafter also referred to as the 'Board') in office met 23 times, of which 5 times jointly with the Control and Risk Committee and 1 time jointly with the Boards of Statutory Auditors of the Italian Companies directly and indirectly controlled by Banca Ifis.

During 2025 and up to the date of this Report, 8 meetings of the Board of Statutory Auditors were held, 2 of which were held jointly with the Control and Risks Committee.

1. Activity of the Board of Statutory Auditors

During the financial year ended 31 December 2024, the Board of Statutory Auditors carried out its institutional duties in compliance with the provisions of the Civil Code, Legislative Decree No. 385/1993 (the “Consolidated Law on Banking” or "TUB"), Legislative Decree No. 58/1998 (the “Consolidated Law on Finance” or "TUF"), Law No. 231/2007, the provisions of the Articles of Association, the indications contained in the Code of Corporate Governance, the principles of conduct recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors), as well as the special laws on the subject and the provisions issued by the Supervisory Authorities (Bank of Italy and Consob).
Moreover, since Banca Ifis has adopted the traditional governance model, the Board of Statutory Auditors is identified with the “Internal Control and Audit Committee”, which is responsible for further specific control and monitoring functions in the area of financial reporting and auditing provided for by Article 19 of Legislative Decree no. 39 of 27 January 2010, as amended by Legislative Decree 135, dated 17 July 2016.

Where the Board of Statutory Auditors considered it necessary to make recommendations and suggestions, it communicated them both during the meetings held with the internal functions concerned, and directly to the body with management or strategic supervision functions and to the relevant internal board Committees, as minuted over time.

The Board of Statutory Auditors reported periodically to the Board of Directors on the activities carried out and the opinions given. Furthermore, the Board of Statutory Auditors, taking into account the provisions of the new "Rules of Conduct for the Board of Statutory Auditors of Listed Companies" approved by the CNDCEC in December 2024 (and applicable from 1 January 2025) and, in particular in Rule Q.1.7 - Self-Assessment of the Board of Statutory Auditors - conducted, with the assistance of an external consulting firm, a self-assessment process, as a result of which the Board of Statutory Auditors expressed an overall assessment of adequacy in relation to its size and composition, as well as a favourable opinion on the requirements of professionalism, independence and integrity and on the functioning mechanisms of the body.

Moreover, in compliance with the provisions of Rule Q.1.5 - Remuneration - of the aforementioned document, the outgoing Board of Statutory Auditors, taking into account its experience and the results of the aforementioned self-assessment process, in view of the renewal, has given Shareholders its guidance as to the professional profiles and skills that would appropriately complement the qualitative composition of the Board, as well as the time commitment required to perform the task and the remuneration appropriate to attract persons of adequate standing, without neglecting the provisions of Law No. 49 of 21 April 2023. This information is contained in the document "Qualitative and quantitative composition deemed optimal of the Board of Statutory Auditors 2025", prepared with the assistance of an external consulting firm and made available to shareholders at the same time as the publication of the supplement to the notice of call of the Shareholders' Meeting concerning the renewal of the Board of Statutory Auditors - convened for this coming 17 April - by means of publication on the Bank's website on 7 March.

In this Report, the Board of Statutory Auditors gives an account of the activities carried out during the financial year, separately for each supervisory area provided for by the regulations governing the activities of the Board.

2. Significant events and transactions

2.1 Period events and transactions

In carrying out the activities of supervision and control, the Board of Statutory Auditors obtained periodically from the Directors, including through the participation in meetings of the Board of Directors, information on the activities carried out and on the most important economic, financial and equity operations approved and implemented by the Bank and by the subsidiaries, also pursuant to Article 150, paragraph 1 of the Consolidated Law on Finance.

Reference should be made to the information provided in the Report on Operations regarding significant events during the year and after year-end.

On 18 January 2024, the Board of Directors of the Bank approved the 2024 Liquidity Funding Plan, a document that goes into detail on the current and prospective capital structure of the Banca Ifis Banking Group and assesses, also with a view to the sound and prudent management of the Bank, the evolution of the sources of liquidity funding from the point of view of both the quality of funding and the mix of the various technical forms that make it up, as well as the changes in the balances for the time buckets envisaged.

This document envisages, amongst other aspects, two new Senior Preferred bond issues for a total value of up to 600 million Euro (indicatively two issues of 300 million Euro each).
In the context of the financial instrument issuance programme known as the “Euro Medium Term Note Programme” (the "EMTN Programme") - entered into in September 2017 and, most recently, renewed for 2024 by board resolution passed on 6 June 2024 - during 2024, Banca Ifis S.p.A. has therefore (i) on 18 January 2024 approved the partial buy-back of an amount of up to 50 million Euro of the senior preferred bond issued on 25 February 2020, maturing on 25 June 2024, and (ii) on 20 February 2024, completed the placement of a senior preferred bond issue in the amount of 400 million Euro, maturing in 5 years.

Funding activities also include the restructuring of the "ABCP Programme" securitisation of factoring receivables worth 1,15 billion Euro, approved by the Board of Directors of Banca Ifis S.p.A. on 9 May 2024 and successfully concluded on 28 June 2024, concerning the sale on a revolving basis of receivables due from private customers arising from the Bank's ordinary factoring activities, acquired both without and with recourse.

With regard to TLTRO III funding, TLTRO lines amounting to 1.536 million Euro were repaid during FY 2024. In particular, the early repayment path continued, with respect to the legal maturity of 25 September 2024, for a nominal amount of 1.125 million Euro (of which 750 million Euro repaid in March 2024 and 375 million Euro repaid at the end of June 2024), completing well in advance all the managerial actions aimed at repaying the residual nominal amount of 411,5 million Euro, which took place on 25 September 2024, bringing the amount of TLTRO III lines repaid to a nominal 2.036,5 million Euro.

On 18 April 2024, following the resignation tendered on 30 January 2024 by Founder Sebastien Egon Fürstenberg from his position as member of the Board of Directors of Banca Ifis effective 8 February 2024, the Shareholders' Meeting resolved to appoint Prof. Nicola Borri in the role of independent Director.

As part of the Banca Ifis Group's framework for managing climate change, on 18 September 2024, the Board of Directors approved the Task Force on Climate-related Financial Disclosures Report (Group 2023 TCFD Report), including the Transition Plan. The document, now in its second edition, aims to further deepen the Group's efforts in the area of climate change disclosure, with particular reference to the strategy adopted by the Group to achieve the declared objectives of the Net Zero Banking Alliance (the “Transition Plan”).

During FY 2024, the merger of Revalea S.p.A. into the subsidiary Ifis Npl Investing S.p.A. was finalised, effective as of 11 November 2024, with effect for accounting and tax purposes backdated to 1 January 2024. As of that date, Ifis Npl Investing S.p.A. therefore took over as of right and without interruption, pursuant to Article 2504-bis of the Italian Civil Code, all the merged company's assets and liabilities and all of its reasons, shares and rights, including all the merged company's receivables. The integration is part of the initiatives of the 2022-2024 Business Plan aimed at further simplifying and specialising the organisational structure of the Banca Ifis Group and, in particular, that of the Npl sector.

On 7 November 2024, the Board of Directors resolved to distribute an interim dividend for FY 2024 for a total amount of 63 million Euro, i.e. 1,2 Euro per share (gross of any withholding taxes).

With reference to the extraordinary tax on the "extra-profits" of banks under Law No. 136/2023, the corresponding allocation to reserves, resolved by the Shareholders' Meeting on 18 April 2024, amounts to 23,9 million Euro.

During FY 2024, the three-year 2022-2024 Business Plan and D.O.E.S. (Digital, Open, Efficient, Sustainable), were successfully completed, accelerating the Banca Ifis Group's long-term, sustainable growth path.

2.2 Significant subsequent events

Significant events subsequent to the close of FY 2024 that this Board believes should be recalled include the following.

On 7 January 2025, the Board of Directors of Banca Ifis met in an extraordinary session to resolve on the approval of the promotion of the voluntary all-inclusive takeover and exchange offer on illimity Bank S.p.A.

On 8 January 2025, by means of a notice issued pursuant to Art. 102, paragraph 1 of Italian Legislative Decree No. 58/98 (the 'TUF') and Article 37 of the regulations adopted by CONSOB Resolution No. 11971/99 (the 'Issuers' Regulations'), the offer was disclosed to the market. At the same time, the Extraordinary Shareholders' Meeting was convened for 17 April 2025, in a single call, in order to deliberate on the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital, in one or more tranches.

In the context of the Public Takeover Bid, on 27 January 2025, Banca Ifis filed (i) the application for authorisation to acquire a controlling interest (up to 100%) in the capital of illimity Bank S.p.A. with the Bank of Italy and the European Central Bank, (ii) the Offer Document with the National Commission for Companies and the Stock Exchange (Consob) and (iii) the notice pursuant to antitrust regulations with the Antitrust Authority (AGCM). The latter, in the current month of March, issued authorisation for the merger between the Banca Ifis Group and the illimity Bank Group, without imposing any conditions, limitations and prescriptions.
Furthermore, on 14 March 2025, the Prime Minister's Office forwarded to Banca Ifis the resolution accepting the proposal of the Ministry of Economy and Finance not to exercise the special powers under the “Golden Power” regulation in relation to the acquisition by Banca Ifis, through the Offer, of the entire share capital of illimity Bank S.p.A.

Lastly, on 20 March 2025, the Board of Directors of Banca Ifis S.p.A. approved the 2025 Liquidity Funding Plan as well as the funding forecasts for 2026.

3. Supervisory activities

3.1 Supervisory Activities on compliance with the law and the Articles of Association

The undersigned Board of Statutory Auditors monitored compliance with the law and the Articles of Association, acquiring the information instrumental to the performance of the tasks assigned to it through the articulated system of information flows provided for in the Group, as well as through participation, as a collegial body or with the presence of at least one member, in all meetings of the Board of Directors (16), in all meetings of the Control and Risk Committee (21) - of which five held jointly with the Board of Statutory Auditors - in all meetings of the Remuneration Committee (9) and the Appointments Committee (10).

The undersigned Board of Statutory Auditors also participated in the Ordinary Shareholders' Meeting held on 18 April 2024 for the approval of the financial statements as at 31 December 2023 and in the Extraordinary and Ordinary Shareholders' Meeting held in a single call on 28 November 2024 for the approval of the amendment of Articles 6, 7, 9 and 11 of the Articles of Association to comply with Articles 135-undecies. 1 and 127-quinquies, paragraph 1, of the Consolidated Law on Finance in order to implement, *inter alia*, the possibility of attributing two votes for each share of the Bank that has belonged to the same person for a continuous period of at least 24 months from the date of registration in the special list ("Ordinary Increased Vote").

In this regard, on 22 November 2024, the Company received a complaint from a shareholder, pursuant to Article 2408 of the Italian Civil Code, addressed to the Chairman of Consob and the Chairman of the Board of Statutory Auditors of Banca Ifis concerning the non-application of the right of withdrawal pursuant to Article 2437, paragraph 1, points f) and/or g) of the Italian Civil Code for amendment of Articles 6 and 9 of the Articles of Association. This complaint was promptly examined by the Control Body, which, after due investigation, found the allegations to be unfounded.

In the course of 2024, the members of the current Board of Statutory Auditors participated in various training and induction courses on topics related to supervisory activities, risk scenarios, market dynamics, digital innovation, the evolution of corporate governance rules, ESG topics and regulatory and legislative matters. Such refresher training is carried out as part of the training plan prepared in compliance with the provisions of Circular 285/2013 (point e., paragraph 2.1, Section IV, Chapter 1, Title IV), taking into account the individual as well as the collective training needs of the Bank's control body and governing body.

The minutes of the Board of Statutory Auditors, which sometimes contain explicit recommendations to rapidly resolve difficulties that have come to light, are made available, in full, to the CEO and to the Chairman of the Board of Directors. The Chairman of the Control and Risk Committee is constantly invited to attend the meetings of the Board, in the belief that this ensures an adequate flow of information within the company.

The Head of Internal Auditing also attends the meetings of the Board of Statutory Auditors, as a permanent invitee for the continuous interaction with the corporate function of third-level control.

During FY 2024, the Board of Statutory Auditors:

- expressed opinions pursuant to Article 2389, paragraph 3 of the Civil Code on the remuneration of directors holding special offices;
- expressed opinions in relation to what are termed "non-audit fees" for non-audit services, as provided for by the regulations in force and by the internal procedure adopted by the Company, verifying in particular their effects on independence, with no exceptions to be noted;
- received, as mentioned, a complaint from a shareholder pursuant to Article 2408, paragraph 1 of the Italian Civil Code.

Relations with Supervisory Authorities

Bank of Italy

On 21 February 2025, the Bank of Italy, in a letter addressed to the Company, represented the need to "*repeat the collection of funding plans for 2025 as well*" in order to "*have reliable information to promptly identify potential vulnerabilities*", in consideration of the uncertainties and changes in the reference framework, including the continuation of geopolitical tensions at an international level and the weak macroeconomic outlook, which confirm the importance for banks to ensure suitable monitoring of the liquidity risk. In detail, the Bank of Italy requested the Less Significant Institutions (LSIs) and, therefore, also the Company, to provide "*updated funding plans for the two-year period 2025 - 2026, together with comparative data for 2024 and any contingency plans*". The Bank of Italy also requested that this information be submitted to the Board of Directors and the Board of Statutory Auditors for evaluation, based on prior feedback from the Risk Management department. Following this communication, Banca Ifis drew up an updated version of the planning forecasts and this Board of Statutory Auditors expressed its assessments.

In this context, subsequent to the approval of the 2024 Liquidity Funding Plan on 18 January 2024, on 06 June 2024 the Board of Directors approved the update of the Contingency Funding Plan for 2024 and, lastly, on 20 March 2025 approved the 2025 Liquidity Funding Plan as well as the funding forecasts for 2026.

On 23 December 2024, the Bank of Italy published a communication to the market on ICT security, drawing the attention of directly supervised intermediaries to the profiles of digital operational resilience and ICT risk and inviting them both to assess their own positioning with respect to the Digital Operational Resilience Act (DORA) and to carry out a self-assessment of their ICT risk management framework, to be transmitted to the Bank of Italy by 30 April 2025.

In 2024, the Control Body held a cognitive meeting with the new Bank of Italy team - Banking Supervision Service 2 of the Banking and Financial Supervision Department - in order to establish a positive and constructive relationship with the Supervision, also with a view to mutual cooperation.

3.2 - Supervision of compliance with the principles of proper administration, relations with subsidiaries or other related parties

The Board of Statutory Auditors, as part of its supervisory activity on the observance of the principles of proper administration - also in compliance with the obligation set forth in Article 150 of the Consolidated Law on Finance - periodically obtained from the Directors, the Chief Executive Officer (hereinafter also referred to as 'CEO'), the control functions and the management, information on the activities carried out and on the most significant economic, financial and equity transactions carried out by the Company and its subsidiaries, as well as on the Group's strategic guidelines.

The Board of Statutory Auditors held regular meetings with the Manager Charged with preparing the Company's financial reports and the internal control functions. Hearings were scheduled with the Bank's management and periodic meetings were held with the representatives of the independent auditors in order to mutually exchange data and information relevant to the performance of their duties, as required by Article 150, paragraph 3 of the Consolidated Law on Finance.

On the basis of the information made available to the Board of Statutory Auditors, it would appear reasonable to believe that the transactions resolved by the Board of Directors and implemented by the CEO are not in breach of the law, the Articles of Association and the provisions issued by the Supervisory Authorities, as it can also be reasonably excluded that they are manifestly imprudent, or risky, or in conflict of interest, or in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.

Acknowledging the Directors' Report, the information produced to the Board of Directors by the CEO, the Supervisory Board pursuant to Legislative Decree No. 231/2001, and in light of the findings gathered as part of its supervisory activities, it is possible, on the part of the Board of Statutory Auditors, to reasonably exclude the existence of atypical and/or unusual transactions entered into with third parties, with Group companies or with related parties and associated parties.

With specific reference to transactions with related parties, the Board of Statutory Auditors regularly receives periodic information flows on any transactions concluded with such related parties and connected persons and to monitor the performance of exposures attributable to connected persons; where necessary, it has proceeded to request further information and details.

Detailed and exhaustive information is given on related party transactions in the specific section "Related Party Transactions" of the Directors' Report as well as in Part H of the Notes to the Consolidated and Separate Financial Statements.

As far as the Board of Statutory Auditors is aware, these transactions were concluded in the interest of the Bank and do not give rise to any remarks on their fairness, as they are part of Ifis' ordinary operations. It is therefore acknowledged that adequate information was provided to the Board of Statutory Auditors on transactions concluded with related parties and/or connected persons, in accordance with Consob provisions and in compliance with the provisions on connected persons set forth in Bank of Italy Circular 285.

The Board of Statutory Auditors has monitored the adequacy of the instructions issued by the Bank to its subsidiaries, verifying the effectiveness of the exchange of information and information flows between the Parent Company and the subsidiaries. The rules and procedures in place enable the Parent Company to fulfil its public disclosure obligations in a timely manner in accordance with the provisions of Article 114, paragraph 2 of the Consolidated Law on Finance.

The Board of Statutory Auditors, as also provided for in Article 151-ter, paragraph 4, of the Consolidated Law on Finance, exchanged information flows with the Boards of Statutory Auditors of the subsidiaries, both on the basis of special joint meetings and through the completion of a questionnaire for the exchange of information prepared on an annual basis. In addition, as part of the process of appointing the statutory auditors for the period 2023-2031, in order to ensure continuity in the application of the Single Auditor principle for the Group, the procedure to identify the Auditor has been put in place by Ifis and the companies belonging to the Group.

In 2024, the Board reviewed the audits conducted by Internal Audit regarding the outsourcing of Essential or Important Operating Functions and agreed with the comments contained therein.

3.3 - Supervisory activities on the implementation of corporate governance

In relation to the provisions of Article 149, paragraph 1, letter c-*bis*, of the Consolidated Law on Financial Intermediation concerning the supervision by the Board of Statutory Auditors '*on the procedures for the concrete implementation of the corporate governance rules set forth in codes of conduct drawn up by management companies of regulated markets or by trade associations, which the company, by means of public disclosures, declares that it complies with*', the Board of Statutory Auditors reports that it performed this activity during the year. Pursuant to Article 123-*bis* of the Consolidated Law on Financial Intermediation, the Company prepared its annual Report on Corporate Governance and Ownership Structures (hereinafter also referred to as the 'Corporate Governance Report') for 2024, which was approved on 6 March 2025, to which reference should be made for further details, which illustrates, *inter alia*, Banca Ifis' administration and control model and provides full information on the manner in which the Bank has adopted and implemented the recommendations made by the Corporate Governance Committee.

The Board of Statutory Auditors also supervised the adoption of the policy for the remuneration of directors and key managers, in line with the provisions of the Corporate Governance Code, as well as the subsequent Remuneration Report pursuant to Article 123-*ter* of the Consolidated Law on Finance, expressing an opinion on the adequacy of the remuneration policy adopted by the Bank with respect to the purposes expressed in this area by Circular 285/2013 and the Remuneration Report itself.

The Board of Statutory Auditors, also through its attendance of all the meetings of the Remuneration Committee, oversaw the application of the remuneration policies and 2024 innovations, examined by the Remuneration Committee on 05 March 2025, and submitted to the Shareholders' Meeting for approval.

At the above-mentioned meeting of the Remuneration Committee, the Board of Statutory Auditors acknowledged the positive opinion expressed by Compliance on the compliance of the Remuneration Report with the applicable regulatory provisions, sharing its conclusions and comments. At the 19 March 2025 meeting of the Remuneration Committee, the Board also acknowledged, and shared the comments contained, the checks conducted by the Internal Audit function and set out in the document "Compliance of remuneration practices with internal policies and reference regulations", checks which led to a substantially favourable opinion.

In general, in light of the provisions of the Supervisory Authorities on the subject of remuneration and incentive systems, the Board of Statutory Auditors monitored, in close connection with the Remuneration Committee, the changes introduced to the 2025 Remuneration Policy, although substantially in line with that of 2024, examined by the Remuneration Committee on 5 March 2025, for details of which reference should be made to the Remuneration Report, on the correct application of the rules relating to the remuneration of the Chief Executive Officer, the heads of the Control Functions and the Manager Charged with preparing the company’s financial reports, and on the dissemination of the remuneration policies for FY 2025 to the companies belonging to the Group.

The Board of Statutory Auditors has no objections to the Remuneration Policy submitted to the Shareholders' Meeting.

3.4 - Supervision of the statutory audit process and the independence of the auditing firm

Pursuant to the Consolidated Law on Auditing (Art. 19 of Legislative Decree No. 39/2010 as amended by Legislative Decree No. 135/2016) the Board of Statutory Auditors (identified by the Consolidated Act as the "Internal Control and Statutory Audit Committee") is in charge of (i) informing the board of directors of the audited entity of the outcome of the statutory audit and transmitting to that body the additional report referred to in Article 11 of the European Regulation, accompanied by any observations, (ii) monitoring the statutory audit of the annual and consolidated accounts (iii) verifying and monitoring the independence of the statutory auditors or statutory audit firms pursuant to Articles 10 and 17 of the aforementioned decree and Art. 6 of European Regulation 537/2014 (the "European Regulation"), in particular with regard to the adequacy of the provision of non-audit services to the audited entity in accordance with Art. 5 of such Regulation and (iv) the responsibility for the procedure to select statutory auditors or audit firms and to recommend statutory auditors or audit firms for appointment pursuant to Art. 16 of the European Regulation.

In this context, the Board of Statutory Auditors currently in office carried out an ongoing monitoring process of the activities performed in 2024 and up to the date of this report by PricewaterhouseCoopers S.p.A. (hereinafter also referred to as 'PwC'), both through meetings at special meetings of the Board of Statutory Auditors and at joint meetings of the Board of Statutory Auditors and the Control and Risks Committee.

Information to the Board of Directors on the outcome of the statutory audit and the Additional Report pursuant to Art. 11 of the European Regulation

In relation to the auditing company, the Board of Statutory Auditors reports that PwC has today issued the Additional Report pursuant to Article 11 of the European Regulation, from which no significant deficiencies emerge in the internal control system for financial reporting and/or in the accounting system.

Supervisory activities on the statutory audit of annual and consolidated accounts

- the accounts were audited in accordance with the regulations by the auditing firm PwC to which the Shareholders' Meeting of 28 April 2022 appointed the auditor for financial years 2023-2031;
- the Board of Statutory Auditors met periodically with the auditing firm PwC, and the meetings did not reveal any significant facts worthy of mention concerning the auditing activity nor any decisive deficiencies in the integrity of the internal control system with regard to the financial reporting process in particular;
- PwC today issued its report containing its opinion on the financial statements and consolidated financial statements prepared in accordance with the IFRS accounting standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the measures issued in implementation of Art. 9 of Legislative Decree No. 38/05 and Article 43 of Legislative Decree No. 136/15. Furthermore, in the same report, PwC issued an opinion on the consistency of the Directors' Report and the

information in the Corporate Governance Report with the Financial Statements. This report does not contain any remarks or requests for information.

– on the same date, PwC issued for the first time an attestation report on the compliance of the Consolidated Sustainability Statement with the European Sustainability Reporting Standards ("ESRS") and Article 8 of Regulation (EU) No. 852/2020 ("Taxonomy Regulation")

Independence of the audit firm, in particular with regard to the provision of non-audit services

With regard to the annual confirmation of independence pursuant to Art. 6, paragraph 2, letter a) of the European Regulation and paragraph 17 of Standard ISA Italia 260, the Board of Statutory Auditors represents that it received written confirmation from the auditing firm on 10 March 2025.

The Board of Statutory Auditors monitored the independence of the auditing firm and, in particular, received periodic evidence of the non-audit assignments to be assigned (or assigned by virtue of specific regulatory provisions) to the statutory auditor.

As can be seen from the consolidated financial statements of the Banca Ifis Group, in 2024, the auditing firm PricewaterhouseCoopers S.p.A. and the other companies of the PwC network performed the following activities in favour of the Group:

Company and reporting period (*Euro/000*)		**PwC**		**Other companies in the PwC network**		
		Independent auditors' fees	**Certification services**	**Independent auditors' fees**	**Other services (*)**	**Total**
Banca Ifis S.p.A.	2024	362,7	242,2	-	33,2	638,1
Subsidiaries	2024	426,5	40,0	83,6	-	550,2
Total		**789,3**	**282,2**	**83,6**	**33,2**	**1.188,3**

(*) "Other services" include due diligence for the acquisition of VAT credits.

The Board of Statutory Auditors considers that the aforementioned fees are appropriate to the size, complexity and characteristics of the work performed and also considers that the engagements (and related fees) other than audit services are not such as to affect the statutory auditor's independence. The Board also verified that the tasks entrusted to the auditing firm are not among those prohibited for the auditing company in office under the aforementioned European Regulation.

It is also acknowledged that the Board of Directors and the undersigned Board of Statutory Auditors have shared the view that it is deemed appropriate for the appointed auditing firm to focus on its typical activity and to be involved, either directly or through companies belonging to its network, limited to projects that have already been commissioned and for which the assignment to another firm might be uneconomic.

Appointment as statutory auditor for the period 2023-2031

Please note that the 2024 Annual Report of Banca Ifis represents the second financial statements whose accounts have been audited by PwC, following the audit engagement for FYs 2023-2031 on the grounded proposal of the Board of Statutory Auditors, by resolution of the shareholders' meeting of Banca Ifis on 28 April 2022.

3.5 - Supervisory activities on the administrative-accounting system and on the financial report and non-financial disclosure processes

Referring to the aforementioned Article 19 of Legislative Decree No. 39/2010 as amended by Legislative Decree no. 135/2016, the Board of Statutory Auditors, in monitoring the financial reporting process, interacted with the Control and Risk Committee set up within the Board of Directors, in order to coordinate their respective competences and avoid any overlapping of activities. In this regard, the Board of Statutory Auditors participated, where possible with all its members, in the activities of the Control and Risk Committee, particularly when they referred to issues of specific relevance for the purposes of Legislative Decree No. 39/2010 and the above-mentioned supervisory matters, making relations fluid and facilitating the coordination and exchange of information between the two bodies.

With specific reference to the different areas of supervision, we would point out the following.

Supervision of the financial reporting process

The Board of Statutory Auditors verified the existence of rules and procedures governing the process of the formation and dissemination of financial information. In this regard, the Corporate Governance Report defines the reference guidelines for the establishment and management of the system of administrative and accounting procedures for Ifis and its consolidated companies, regulating the relevant steps and responsibilities.

The Board of Statutory Auditors examined, with the assistance of the Manager Charged with preparing the Company’s financial reports, the procedures relating to the preparation of the Company's financial statements and consolidated financial statements, as well as other periodic accounting documents. The Board of Statutory Auditors also had evidence of the process by which the Manager Charged with preparing the Company’s financial reports and the director delegated to do so can issue the certifications required by Article 154-*bis* of the Consolidated Law on Finance.

The Board of Statutory Auditors has been informed that the administrative/accounting procedures for the preparation of the financial statements and all other financial disclosures are prepared under the responsibility of the Manager charged with preparing the company’s financial reports, who, together with the Chief Executive Officer, certifies the adequacy and effective application of these procedures in the preparation of the separate and consolidated financial statements and the half-year financial report.

The Board of Statutory Auditors acknowledges that it has not received, during the periodic meetings held with the Manager Charged with preparing the company’s financial reports, any reports of significant deficiencies in the operational and control processes that could affect the judgement of the adequacy and effective application of the administrative-accounting procedures, for the purpose of the correct representation of the economic, equity and financial situation of management events, in accordance with international accounting standards.

The annual financial statements of the Bank and the consolidated financial statements of the Group, in application of Legislative Decree no. 38/2005 are prepared by applying the IAS/IFRS issued by the International Accounting Standards Board and the related interpretations of the International Financial Reporting Interpretations Committee, endorsed by the European Commission, as established by European Community Regulation no. 1606/2002.

European Commission Regulation 815/2019 (the “European Single Electronic Format” or “ESEF” Regulation), issued in order to implement Directive 2004/109/EC (the “Transparency Directive”), introduced the obligation to prepare the annual financial reports of issuers whose securities are listed on regulated markets in the European Union in a single electronic reporting format. For 2024, it is expected that only the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements must be "branded" to the ESEF taxonomy, according to the “Inline XBRL” specifications of the basic taxonomy issued by the ESMA. Since the document “2024 Financial Statements” also includes the separate financial statements of the parent company, the entire document is in XHTML format.

The Bank's separate financial statements and the Group's consolidated financial statements are prepared on the basis of the instructions issued by the Bank of Italy in Circular 262/2005 and subsequent updates. The draft financial statements of Ifis at 31 December 2024 and the consolidated financial statements of the Group at 31 December 2024 were approved by the Board of Directors at its meeting on 6 March 2025. The public disclosure, in accordance with the provisions of the prudential supervisory regulations, was made through the Bank's website within the deadlines set for the publication of financial statements.

The Board of Statutory Auditors also examined declarations, issued on 6 March 2025 by the CEO and by the Manager Charged with preparing the company’s financial reports, in accordance with the provisions contained in Article 154 *bis* of the Consolidated Law on Finance and in Article 81 *ter* of Consob Regulation 11971/1999, including the certification of the Sustainability Statement at 31 December 2024, from which no shortcomings emerged that might affect the judgement of adequacy of the administrative-accounting procedures.

PwC, during the periodic meetings and in the light of the Additional Report - provided for by Article 11 of Regulation (EU) no. 537/2014 issued today, did not report any critical situations to the Board of Statutory Auditors that could affect the internal control system relating to the administrative and accounting procedures, nor did it ever highlight facts that were deemed reprehensible or any irregularities that would require reporting pursuant to Article 155, paragraph 2, of the Consolidated Law on Finance.

As already mentioned, the Board of Directors has prepared, in accordance with the law, the Financial Statements and Consolidated Financial Statements as at 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the measures issued in implementation of Art. 9 of Legislative Decree No. 38/05, both of which are audited by PwC.

With regard to the above, no elements were revealed that would lead to the conclusion that the activity has not been carried out in accordance with the principles of correct administration or that the organisational structure, the system of internal audit and accounting and administrative systems were not, in their entirety, substantially adequate to the needs and dimensions of the company.

Consolidated Sustainability Statement

Banca Ifis, as a public interest entity (PIE), is required to publish the Consolidated Sustainability Statement in line with the provisions of Legislative Decree no. 125/24, which must comply with the standards set by the European Financial Reporting Advisory Group (EFRAG) and the requirements of other applicable European regulations, such as EU Regulations 2088/2019 and 852/2020.

This requires a dual approach, considering both the impacts of the company on society and the environment (inside-out perspective) and how sustainability factors affect the company itself (outside-in perspective).

The Board of Statutory Auditors plays a central role in monitoring the adequacy and effective functioning of the internal control and risk management system, with particular reference also to sustainability issues and the new provisions introduced by the Corporate Sustainability Reporting Directive (CSRD).

In this context, the Board of Statutory Auditors, pursuant to Art. 10, para. 1, Legislative Decree No. 125/2024, monitored compliance with regulatory requirements governing the Sustainability Statement, verifying the Bank's implementation of appropriate procedures and processes to ensure the reliability and transparency of non-financial information. To this end, the Board interacted with the corporate structures in charge of monitoring ESG topics, the Control and Risk Committee and the Internal Audit Department.

Information was gathered through a centralised process as part of which Banca Ifis's functions consolidated the data received from all subsidiaries under the supervision of the Finance function.

In addition, the Board of Statutory Auditors monitored the integration of ESG factors into the Bank's business models and risk management systems, promoting constant alignment with national and international best practices. Particular attention was also paid to the Bank's involvement in the analysis of the so-called dual materiality required by CSRD, i.e. the assessment of the Bank's impacts on the environment and society, as well as the risks and opportunities that sustainability topics may generate on the business.

The Board of Statutory Auditors actively participated in the processes of verification and assurance of sustainability information, also in cooperation with the statutory auditor. This activity included assessing the reliability of the data, analysing the methodologies adopted to measure ESG impacts and the consistency of the reported information with international sustainability standards.

In addition, the Board of Statutory Auditors promoted an ongoing dialogue with governance bodies and relevant stakeholders to foster a proactive and integrated approach to sustainability, helping to strengthen the transparency and credibility of the company's ESG reporting.

In this context, on 28 November 2024, the Board of Directors of the Bank, after receiving the favourable opinion of the Control Body, approved to grant the Manager Charged with preparing the Company’s financial reports the additional task of internally certifying the compliance of the

Sustainability Statement with the reporting standards, including the information required by the Taxonomy Regulation, pursuant to Legislative Decree No. 125/2024 and the TUF.

In the area of sustainability certifications, this Board of Statutory Auditors also expressed a favourable opinion on the assignment for the external attestation on the conformity of the Sustainability Statement to be assigned to the company already in charge of the statutory audit, in line with the assignments previously assigned to the same on NFS.

The Board of Auditors therefore issued its reasoned opinion for the assignment of the limited assurance of the consolidated sustainability statement, to be prepared pursuant to Legislative Decree No. 125/2024 in implementation of the CSRD both for the financial year ending 31.12.2024 and for the financial years following 31.12.2024 and up to 31.12.2031, on which the Shareholders' Meeting convened to approve the 2024 financial statements will be called to resolve.

3.6 - Supervisory activities on the adequacy of the internal audit system, of the risk management systems and of the organisational structure

The Group's internal control system is based on:

- control bodies and functions, involving in particular, each for their respective competences, the Board of Directors, the Control and Risk Committee, the Director in charge of the internal control and risk management system, the Board of Statutory Auditors, as well as the other corporate functions with specific tasks in this respect;
- information flows and coordination between the parties involved in the internal control and risk management system.

The design of Banca Ifis's system of internal controls, briefly described, has three levels:

- first-level (or line) controls: exercised directly by the operational and back-office structures, which are primarily responsible for the risk management process;
- second-level controls: exercised by the risk management function (identifies the risks to which Banca Ifis and the Group companies are exposed and periodically measures and monitors these risks through specific indicators, planning any mitigation actions), the compliance function (verifies the effectiveness of the organisational measures proposed and implemented for the purpose of non-compliance risk management) and the anti-money laundering function;
- third-level controls: exercised by the internal audit function, through activities aimed at identifying violations of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality and reliability of the internal control system and the information system.

In carrying out its activities, the Board of Statutory Auditors maintained continuous contact with the various control functions, as well as supervised the adequacy of the systems of internal control and risk management systems through:

- meetings with the management of the Bank;
- regular meetings with the various control departments (i.e., Internal Audit, Compliance, Anti-money laundering (AML) and Risk Management and the Manager Charged with

preparing the company's financial reports) in order to evaluate the methodology for the planning of operations, based on the identification and evaluation of the principal risks present in the organisational processes and units;

- examination of the periodical reports from the Audit Functions and the periodical information regarding the results of monitoring activities;
- acquired information from the managers of corporate functions;
- discussion of the results of the work carried out by the independent auditing firm;
- participation in the work of the Risk Management and Control Committee and, when the topics so required, in their joint examination with the Committee.

The Board of Statutory Auditors acknowledges that the annual reports from the Control Departments conclude with a substantially favourable judgement on the internal control system.

Over the course of 2024, the Board of Statutory Auditors supervised the suitability and effects of the entire ICAAP and ILAAP 2024 processes on the requirements set out by the regulations, underscoring the usefulness of appropriate data aggregation, integration, and validation processes to maintain the aforementioned documents.

Intervention plans were provided with reference to the activities and areas for improvement identified, whose timely implementation is judged by the Board of Statutory Auditors as essential and that require particular attention by the management body.

On the basis of the activities carried out, the Board of Statutory Auditors - also in relation to the continuous evolution of the Bank and the Group - believes that although there are certain areas for possible further improvement, there are no elements that are sufficiently critical as to invalidate the internal control system and risk management.

The Board of Statutory Auditors was today updated about the meetings held by the Supervisory Body and the exchange of information was also ensured by the dialogue that took place within the Board of Statutory Auditors with the auditor who is a member of the Supervisory Body, without receiving any reports and/or comments worthy of note.

* * *

The Board of Statutory Auditors is not aware, in addition to what has already been discussed earlier, of facts or details that need to be communicated to the Shareholders' Meeting.

In the course of the activity performed and on the basis of the information obtained, no omissions, reprehensible facts, irregularities or in any case other significant circumstances were detected that would require reporting to the Supervisory Authorities or mention in this Report.

Concluding remarks

As detailed in this Report, the Board of Statutory Auditors verified the functionality of the internal procedures, which were found to be sufficiently adequate and suitable to ensure compliance with the law, regulations and Articles of Association. The Board of Statutory Auditors ascertained that the decision-making process takes into account the riskiness and effects of the management choices made and that the corporate bodies have a sufficient information flow system, also with reference to any interests of the Directors. The organisational structure, the administrative accounting system and the statutory audit process were found to be adequate and functional for the tasks they are called upon to perform. It was also verified that there were no elements such as to render the internal control system and the governance and risk management process unreliable, even though they presented aspects for improvement that the Board of Statutory Auditors had pointed out in the exercise of its mandate.

Final considerations and proposals to the Shareholders' Meeting

This Report details the control activities carried out and the actions taken by the Board of Statutory Auditors with regard to the information obtained and the supervisory activities performed in fulfilment of its duties.

In light of the overall supervisory activity performed, in relation to the audits concluded at the date of publication of this Report, the Board of Statutory Auditors of Banca Ifis has no observations to make to the Shareholders' Meeting pursuant to Article 153, paragraph 2, of Legislative Decree no. 58/1998 concerning the financial statements and their approval as well as matters falling within its competence.

In actual fact, taking into account all of the foregoing, considering the content of the opinions issued by the Independent Auditors and having acknowledged the attestations issued jointly by the Chief Executive Officer and the Manager Charged with preparing the company's financial reports, including the internal attestation and the Report by the Independent Auditing Firm on the Sustainability Statement (included in the Directors' Report) - the Board of Statutory Auditors does not deem that there exist - to the extent of its competence - any elements hindering the approval of the financial statements of Banca Ifis S.p.A. as at 31 December 2024 accompanied by the Directors' Report and the Notes to the Financial Statements, as resolved by the Board of Directors on 6 March 2025.

Venice - Mestre, 26 March 2025

THE BOARD OF STATUTORY AUDITORS

Andrea Balelli (Chairman)

Annunziata Melaccio (Standing Auditor)

Franco Olivetti (Standing Auditor)

Independent auditors' report on the Separate Financial Statements

pwc

Independent auditor's report

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

To the shareholders of
Banca Ifis SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Banca Ifis SpA (hereinafter the "Bank"), which comprise the statement of financial position as of 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the Bank's financial position as of 31 December 2024 and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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

www.pwc.com/it

Key audit matters	*Auditing procedures performed in response to key audit matters*
Valuation of receivables due from customers measured at amortised cost	
Notes to the financial statements: *Part A - Accounting policies* *Part B – Information on the statement of financial position – Assets, Section 4* *Part C – Information on the consolidated income statement, Section 8* *Part E – Information on risks and related hedging policies*	In performing our audit procedures, we considered internal control relevant to the financial reporting process. To address this key audit matter, we performed the following relevant procedures, with the support of the experts of the PwC network as needed:
Receivables due from customers as of 31 December 2024 are the largest part of the financial position line item 40 b) *"Financial assets measured at amortised cost – Receivables due from customers"* which totals Euro 9,320 million corresponding to 73 per cent of total assets. Net credit losses booked in the year for these loans, total Euro 34.7 million and are the directors' best estimate of expected credit losses at the reporting date made on the basis of the applicable reporting standards. The process of classification into different risk categories and the expected credit losses valuation criteria are characterized by a high level of complexity and high degree of judgement and require the estimation of several variables. The use of significant assumptions is particularly relevant for measuring the significant increase in credit risk ("SICR"), allocating loans to the different risk stages ("Staging") and determining assumptions and inputs to the models used for the expected credit loss ("ECL") calculation and, with specific regards to loans assessed on an individual basis (Stage 3), for estimating the future cash flows, recovery times and the recoverable amount of any collateral. In the current year, in addition to the recurring process of updating the input data and risk parameters, the Bank made some changes, revised some estimation processes compared to previous year and, as in previous years, applied "*post model adjustments/management overlays*"	• Assessing the adequacy of the IT environment and testing the operating effectiveness of the applicable key controls over the systems and computer applications used by the Bank for the valuation of receivables due from customers; • Understanding and evaluating the design of key controls related to the monitoring, classification and impairment valuation of receivables due from customers and tests of their operating effectiveness; • Understanding and assessing the appropriateness of the policies, procedures and models used for determining the *SICR*, *Staging* and *ECL* calculation both collectively and individually, also in the light of the changes introduced during the year to criteria and models in use. Special attention was paid to the assumptions and evaluations underlying the *"post model adjustments/management overlays"* applied; Understanding and reviewing the methods used to define the estimation parameters for the models used to determine the ECL and assessing the updates introduced during the year and test of the calculation method of some parameters. In particular, we assessed the reasonableness of the macroeconomic scenarios assumed, also by checking their consistency with external sources, as well as their

pwc

Key audit matters	*Auditing procedures performed in response to key audit matters*
to consider the uncertainties in the macroeconomic environment as well as some additional risk factors not adequately captured by models in use consider some additional risk factors not adequately captured by the models in use. Considering the materiality of the amount, the high complexity of the estimation processes and the high degree of judgement involved we considered the valuation of these loans as a key audit matter.	probabilities weighting, also in the light of the uncertainties in the macroeconomic environment; • Assessing the correct application of the defined criteria for loans classified as not impaired (Stage 1 and Stage 2) and, of the completeness and accuracy of the data used for the *ECL* calculation; • Testing, for a sample of loans, of the reasonableness of their classification as not impaired (Stage 1 and Stage 2) versus impaired (Stage 3) based on the available information about the debtor's status and other supporting evidences, including external information; • For impaired loans (Stage 3), in order to assess the reasonableness of the directors' conclusions, considering the classification criteria and categories required by the applicable financial and regulatory reporting framework, testing, for a sample of loans, of the reasonableness of the assumptions used to determine the future cash flows from work-out activity, in the valuation of collateral and to estimate the recovery times; • Critical assessment of the control activities carried out during the year by internal control functions (in particular by the Validation function), of the related outcomes and of the remedial actions undertaken; • Performing comparative and trend analysis of the volumes of receivables due from customers and related coverage ratios, also by comparing data of previous years and information related to publicly available industry data; • Reviewing of ECL sensitivity analyses to the macroeconomic scenarios that influence the risk parameters of the models used; • Testing of the completeness and adequacy of financial statements disclosures in accordance with International Financial Reporting

Key audit matters	*Auditing procedures performed in response to key audit matters*
	Standards, the applicable regulatory framework and the communications and recommendations issued by the Supervisory Authorities.

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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

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

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

- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

On 28 April 2022 the shareholders of Banca Ifis SpA in general meeting engaged us to perform the statutory audit of the Bank's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

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

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

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Banca Ifis SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Banca Ifis SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Banca Ifis SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

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

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;

- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;

- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Banca Ifis SpA as of 31 December 2024.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 26 March 2025

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

As disclosed by the Directors, the accompanying financial statements of Banca Ifis SpA constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

2024 Annual Report

Attachments to the Separate Financial Statements

Banca Ifis

Reconciliation between reclassified financial statements and individual financial statements

RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)		31.12.2024	31.12.2023
Cash and cash equivalents		**334.190**	**599.016**
+ 10.	*Cash and cash equivalents*	*334.190*	*599.016*
Financial assets held for trading		**3.489**	**583**
+ 20.a	*Financial assets measured at fair value through profit or loss: a) financial assets held for trading*	*3.489*	*583*
Financial assets mandatorily measured at fair value through profit or loss		**230.431**	**215.466**
+ 20.c	*Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value*	*230.431*	*215.466*
Financial assets measured at fair value through other comprehensive income		**701.825**	**749.171**
+ 30.	*Financial assets measured at fair value through other comprehensive income*	*701.825*	*749.171*
Receivables due from banks measured at amortised cost		**760.945**	**634.802**
+ 40.a	*Financial assets measured at amortised cost: a) receivables due from banks*	*760.945*	*634.802*
Receivables due from customers measured at amortised cost		**9.320.250**	**9.201.981**
+ 40.b	*Financial assets measured at amortised cost: b) receivables due from customers*	*9.320.250*	*9.201.981*
Hedging derivatives		**7.404**	**-**
+ 50.	*Hedging derivatives*	*7.404*	*-*
Equity investments		**699.511**	**672.528**
+ 70.	*Equity investments*	*699.511*	*672.528*
Property, plant and equipment		**163.014**	**140.811**
+ 80.	*Property, plant and equipment*	*163.014*	*140.811*
Intangible assets		**40.100**	**32.993**
+ 90.	*Intangible assets*	*40.100*	*32.993*
of which: - goodwill		**-**	**-**
Tax assets		**173.774**	**238.925**
a) current		**21.491**	**29.270**
+ 100.a	*Tax assets: a) current*	*21.491*	*29.270*
b) deferred		**152.283**	**209.655**
+ 100.b	*Tax assets: b) deferred*	*152.283*	*209.655*
Non-current assets and disposal groups		**-**	**-**
+ 110.	*Non-current assets and disposal groups*	*-*	*-*
Other assets		**332.417**	**376.896**
+ 120.	*Other assets*	*332.417*	*376.896*
Total assets		**12.767.350**	**12.863.172**

RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)			31.12.2024	31.12.2023
Payables due to banks			**1.327.384**	**2.604.466**
+	*10.a*	*Financial liabilities measured at amortised cost: a) payables due to banks*	*1.327.384*	*2.604.466*
Payables due to customers			**8.199.423**	**7.077.199**
+	*10.b*	*Financial liabilities measured at amortised cost: b) payables due from customers*	*8.199.423*	*7.077.199*
Debt securities issued			**1.507.351**	**1.435.852**
+	*10.c*	*Financial liabilities measured at amortised cost: c) securities issued*	*1.507.351*	*1.435.852*
Financial liabilities held for trading			**13.765**	**14.005**
+	*20.*	*Financial liabilities held for trading*	*13.765*	*14.005*
Hedging derivatives			**14.868**	**11.644**
+	*40.*	*Hedging derivatives*	*14.868*	*11.644*
Tax liabilities			**36.198**	**38.268**
a) current			**9.138**	**8.799**
+	*60.a*	*Tax liabilities: a) current*	*9.138*	*8.799*
b) deferred			**27.060**	**29.469**
+	*60.b*	*Tax liabilities: b) deferred*	*27.060*	*29.469*
Other liabilities			**219.928**	**259.975**
+	*80.*	*Other liabilities*	*219.928*	*259.975*
Post-employment benefits			**5.081**	**5.322**
+	*90.*	*Post-employment benefits*	*5.081*	*5.322*
Provisions for risks and charges			**48.985**	**51.804**
+	*100.a*	*Provisions for risks and charges: a) commitments and guarantees granted*	*5.439*	*5.248*
+	*100.b*	*Provisions for risks and charges: b) pensions and similar obligations*	*218*	*189*
+	*100.c*	*Provisions for risks and charges: c) other provisions for risks and charges*	*43.328*	*46.367*
Valuation reserves			**(22.823)**	**(33.085)**
+	*110.*	*Valuation reserves*	*(22.823)*	*(33.085)*
Reserves			**1.222.740**	**1.201.178**
+	*140.*	*Reserves*	*1.222.740*	*1.201.178*
Interim dividends (-)			**(63.084)**	**(62.962)**
+	*145.*	*Interim dividends (-)*	*(63.084)*	*(62.962)*
Share premiums			**85.391**	**84.108**
+	*150.*	*Share premiums*	*85.391*	*84.108*
Share capital			**53.811**	**53.811**
+	*160.*	*Share capital*	*53.811*	*53.811*
Treasury shares (-)			**(20.971)**	**(21.817)**
+	*170.*	*Treasury shares (-)*	*(20.971)*	*(21.817)*
Profit (loss) for the year			**139.303**	**143.404**
+	*180.*	*Profit (loss) for the year (+/-)*	*139.303*	*143.404*
Total liabilities and equity			**12.767.350**	**12.863.172**

RECONCILIATION BETWEEN THE INCOME STATEMENT AND THE RECLASSIFIED INCOME STATEMENT (in thousand Euro)			31.12.2024	31.12.2023
Net interest income			**200.393**	**239.089**
+	*30.*	*Net interest income*	*200.393*	*239.089*
		+ 10. Interest receivable and similar income	*613.513*	*563.631*
		+ 20. Interest due and similar expenses	*(413.120)*	*(324.542)*
Net commission income			**84.308**	**87.882**
+	*60.*	*Net commission income*	*84.308*	*87.882*
		+ 40. Commission income	*96.448*	*98.701*
		+ 50. Commission expense	*(12.140)*	*(10.819)*
Other components of net banking income			**144.584**	**128.133**
+	*70.*	*Dividends and similar income*	*94.543*	*105.172*
+	*80.*	*Net profit (loss) from trading*	*1.939*	*2.916*
+	*90.*	*Net result from hedging*	*(1.140)*	*(100)*
+	*100.a*	*Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost*	*16.598*	*2.527*
-	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*332*	*(397)*
+	*100.b*	*Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income*	*8.204*	*2.656*
+	*100.c*	*Gains (losses) on sale/buyback of: c) financial liabilities*	*64*	*1.027*
+	*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*	*24.044*	*14.332*
Net banking income			**429.285**	**455.104**
+	*120.*	*Net banking income*	*428.953*	*455.501*
-	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*332*	*(397)*
Net credit risk losses/reversals			**(33.983)**	**(51.949)**
+	*130.a*	*Net credit risk losses/reversals related to: a) financial assets measured at amortised cost*	*(33.877)*	*(54.894)*
+	*130.b*	*Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income*	*483*	*(80)*
+	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*(332)*	*397*
+	*170.a (partial)*	*Net allocations for credit risk related to commitments and guarantees granted*	*(257)*	*2.628*
Net profit (loss) from financial activities			**395.302**	**403.155**
+	*150*	*Net profit (loss) from financial activities*	*395.559*	*400.527*
-	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*332*	*(397)*
+	*100.a (partial)*	*Gains (losses) on sale/buyback of loans at amortised cost*	*(332)*	*397*
+	*170.a (partial)*	*Net allocations for credit risk related to commitments and guarantees granted*	*(257)*	*2.628*

Continues on next page

		RECONCILIATION BETWEEN THE INCOME STATEMENT AND THE RECLASSIFIED INCOME STATEMENT (in thousand Euro)	31.12.2024	31.12.2023
a) personnel expenses			**(127.287)**	**(123.266)**
+	*160.a*	*a) personnel expenses*	*(127.287)*	*(123.266)*
b) other administrative expenses			**(117.348)**	**(112.344)**
+	*160.b*	*b) other administrative expenses*	*(125.370)*	*(124.225)*
-	*160.b (partial)*	*b) other administrative expenses: non-recurring charges*	*77*	*1.047*
-	*160.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*7.945*	*10.834*
Net impairment losses/reversals on property, plant and equipment and intangible assets			**(20.492)**	**(15.582)**
+	*180.*	*Net impairment losses/reversals on property, plant and equipment*	*(11.110)*	*(8.716)*
+	*190.*	*Net impairment losses/reversals on intangible assets*	*(9.382)*	*(6.866)*
Other operating income/expenses			**54.614**	**42.057**
+	*200.*	*Other operating income/expenses*	*54.614*	*42.057*
Operating costs			**(210.513)**	**(209.135)**
+	*210.*	*Operating costs*	*(221.540)*	*(224.571)*
-	*160.b (partial)*	*b) other administrative expenses: non-recurring charges*	*77*	*1.047*
-	*160.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*7.945*	*10.834*
-	*170.*	*Net allocations to provisions for risks and charges*	*3.005*	*3.555*
Charges related to the banking system			**(7.945)**	**(9.791)**
+	*160.b (partial)*	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*(7.945)*	*(10.834)*
+	*170.a (partial)*	*Net allocations to provisions on commitments and guarantees issued: contributions to resolution and deposit protection funds*	*-*	*1.043*
Net allocations to provisions for risks and charges			**(2.748)**	**(7.226)**
+	*170.a*	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	*(257)*	*3.671*
-	*170.a (partial)*	*Net allocations to provisions for credit risk related to commitments and guarantees granted*	*257*	*(2.628)*
-	*170.a (partial)*	*Net allocations to provisions on commitments and guarantees issued: contributions to resolution and deposit protection funds*	*-*	*(1.043)*
+	*170.b*	*Net allocations to provisions for risks and charges: b) other net allocations*	*(2.748)*	*(7.226)*
Non-recurring expenses and income			**(77)**	**(1.047)**
+	*160.b (partial)*	*b) other administrative expenses: non-recurring charges*	*(77)*	*(1.047)*
Profit (loss) on equity investments			**(3.017)**	**(3.740)**
+	*220.*	*Profit (loss) on equity investments*	*(3.017)*	*(3.740)*
Pre-tax profit (Loss) for the period from continuing operations			**171.002**	**172.216**
+	*260.*	*Pre-tax profit (Loss) for the period from continuing operations*	*171.002*	*172.216*
Income taxes for the year relating to current operations			**(31.699)**	**(28.812)**
+	*270.*	*Income taxes for the year relating to current operations*	*(31.699)*	*(28.812)*
Profit (Loss) for the year			**139.303**	**143.404**
+	*300.*	*Profit (Loss) for the year*	*139.303*	*143.404*

List of fees and services provided by the independent auditing firm and entities belonging to the independent auditing firm's network

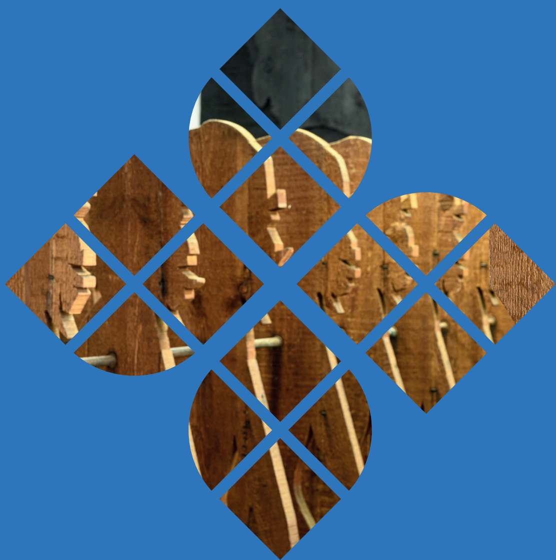
Information provided pursuant to Art. 149-duodecies of the Consob Issuers' Regulation.

For FY 2024, the auditing firm PricewaterhouseCoopers S.p.A. and the other companies in the PwC network performed the services detailed below on behalf of our Group. The summary table includes the fees for audit and non-audit services for FY 2024 as set out in the existing contractual terms and conditions.

Type of services (units of Euro)	PricewaterhouseCoopers S.p.A.		Other companies in the PricewaterhouseCoopers S.p.A. network		Total
	Banca Ifis	Subsidiaries	Banca Ifis	Subsidiaries	
Independent auditors' fees	362.709	426.548	-	83.636	**872.893**
Certification services	242.189	40.000	-	-	**282.189**
Other services (*)	-	-	33.200	-	**33.200**
Total	**604.898**	**466.548**	**33.200**	**83.636**	**1.188.282**

(*) *"Other services" include due diligence for the acquisition of VAT credits.*

The fees indicated are net of VAT, expenses and Consob contribution.



bancaifis.it