



# **9M24 results**

**7 November 2024**

## 1. 3Q24 results

## 2. Appendices

2.1 Segment results

2.2 Consolidated financial data

2.3 Company overview



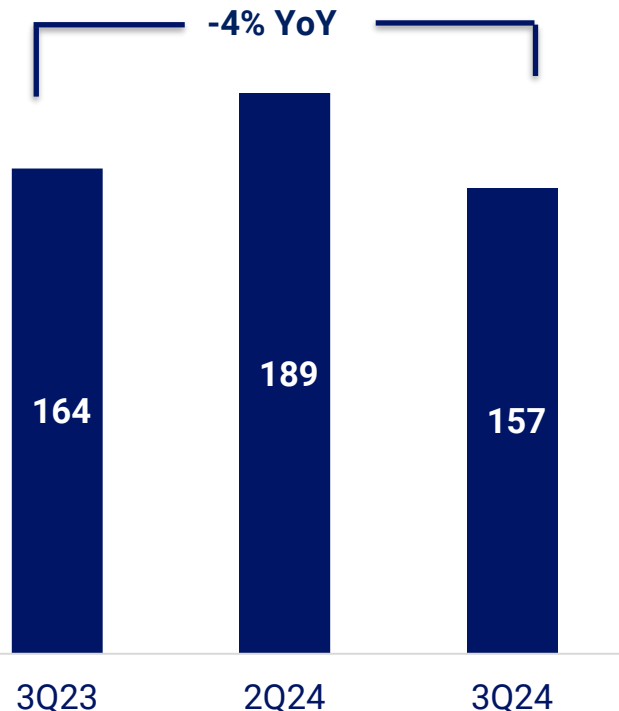
## 3Q24 results

- 1 **Net income of €33mln, flat YoY. 9M24 net income of €127mln (+2% YoY)**
  - Revenues reflected the typical summer seasonality and the expected increase in cost of funding
  - To mitigate sensitivity to declining interest rates, Banca Ifis has strategically extended the duration of its government bond portfolio and expanded its new fixed-rate leasing business. These measures aim to enhance stability in interest income
  - In 3Q, we saw limited signs of asset quality deterioration, with the classification of specific exposures in certain industrial sectors
  - We confirm 2024 guidance of €160mln net income
- 2 **Robust financial position**, with €2.1bn in available cash. Notably, the bank completed its TLTRO repayment, having repaid €0.4 billion in Sept. 24
- 3 **CET1 of 16.43%** as of 30 Sept 24, including net income after deducting the dividends accrued in 9M24
- 4 **€1.2 interim dividend per share to be paid on 20 Nov. 2024 (total €63mln)\*\***. The ex-dividend date is on 18 Nov. 24 and the record date on 19 Nov. 24

\*Includes counterbalancing capacity

\*\*Payout ratio at 49.8%; full-year payout (in line with the new dividend policy approved by the Board of Directors on 3 August 2023) will be computed on the basis of full year results

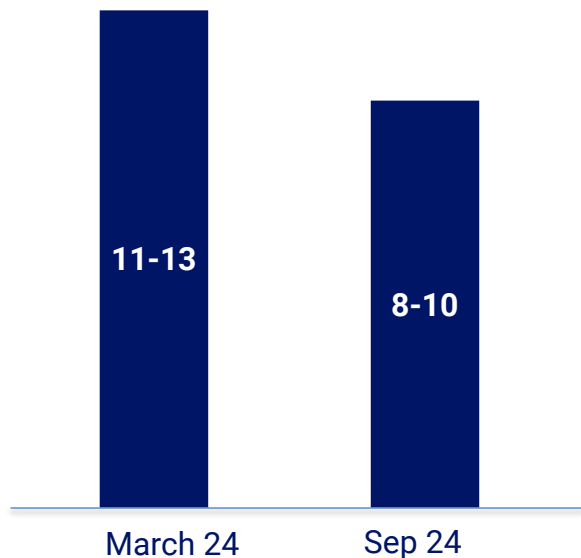
## Quarterly Revenues



- **Net revenues in 3Q24 at € 157m (-4% YoY) due to cost of funding increase. Net revenues in 9M24 at €531,8 (+3.8% YoY)**
- 3Q24 net revenues breakdown:
  - Commercial banking revenues at €93m (€87m in 2Q24, and €84m in 3Q23) with commercial performance and pricing discipline offsetting cost of funding increase
  - Npl revenues at €55m (€86m in 2Q24 and €66m in 3Q23) due to marked seasonality in judicial and extrajudicial workout
  - Non Core & G&S at €9m (€16m in 2Q24 and €14m in 3Q23). Proprietary book confirmed as a recurrent and stable contribution to revenues

# Mitigated net interest income sensitivity to the decrease in interest rates\*

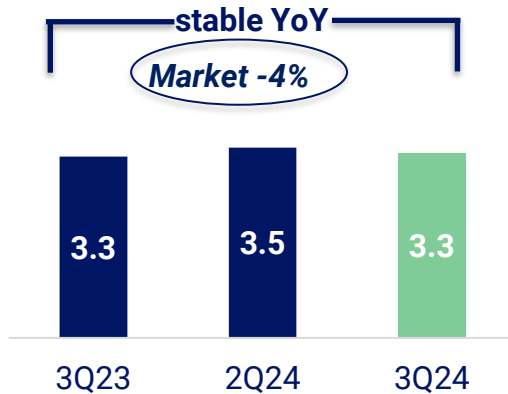
Net interest income sensitivity to -0.50% decrease in interest rate  
€mln



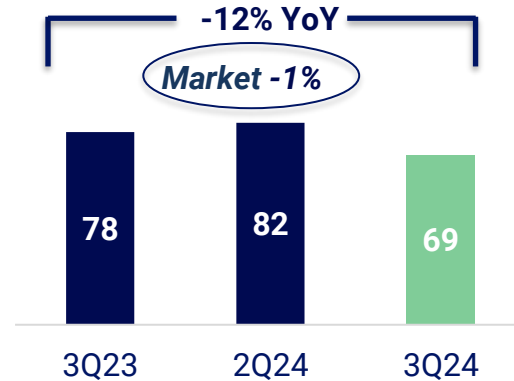
Actions started since the beginning of the year

- 1 Increased duration of overall proprietary bond portfolio from 2.3Y in Dec 23 to 3.3Y in Sept. 24
- 2 Increased origination of fixed rate leasing / total origination leasing from 29% in 9M23 to 80% in 9M24
- 3 Decreased deposits vs Bank of Italy from €0.9bn in March 24 to €0.4bn in Sept. 24

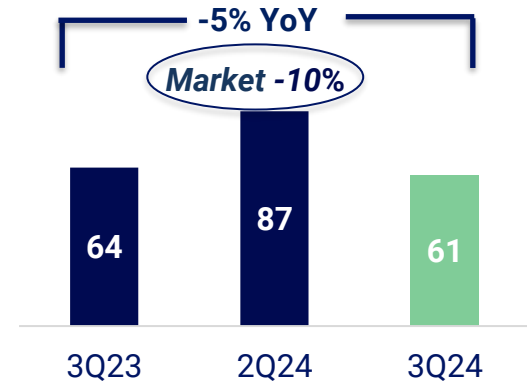
## Factoring turnover (€bn)



## New leasing equipment and technology (€mln)



## New leasing automotive (€mln)



- **Factoring:** factoring turnover outperformed the market. Banca Ifis maintained its strong focus on profitability: 3Q24 factoring average spread at 3.98% (on top of base rate\*)
- **Leasing:** the tax incentives are providing some acceleration for the leasing market in 4Q24. The implementing decrees for the 'Industry 5.0' tax incentive were approved only in July, and thus far, they have not generated a significant impact due to their implementation complexity
  - Equipment and technology leasing: we are seeing evidence of delays in SME capex decisions. Banca Ifis reported a slowdown in underwriting for the first 9M 2024, with a decline of -11% YoY, which is less severe than the market's decline of -16%. Focus on margins: 3Q24 equipment and technology leasing average spread at 3.7% (on top of base rate\*), +0.11% up YoY
  - Automotive leasing: Banca Ifis's strategy remains (i) premium/luxury segments (not volumes) (ii) price/margin discipline (iii) remarketing agreements in place. 3Q24 automotive leasing average spread at 3.97% (on top of base rate\*), +0.06% up YoY

\*Euribor 3M (variable rates) or IRS (fixed rates)

# Npl portfolio exhibiting marked 3Q seasonality\*

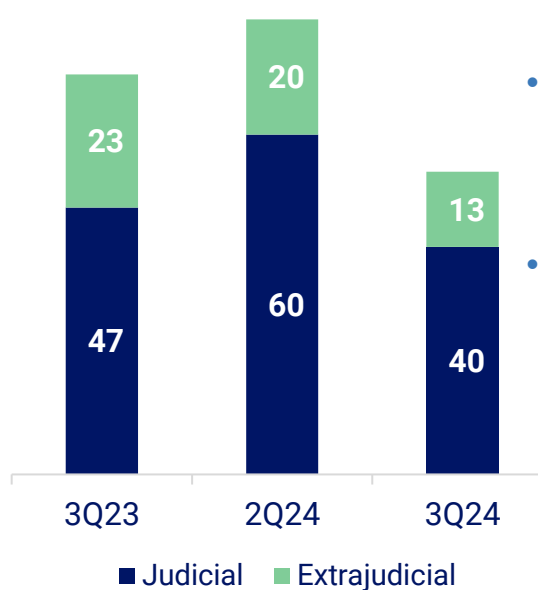
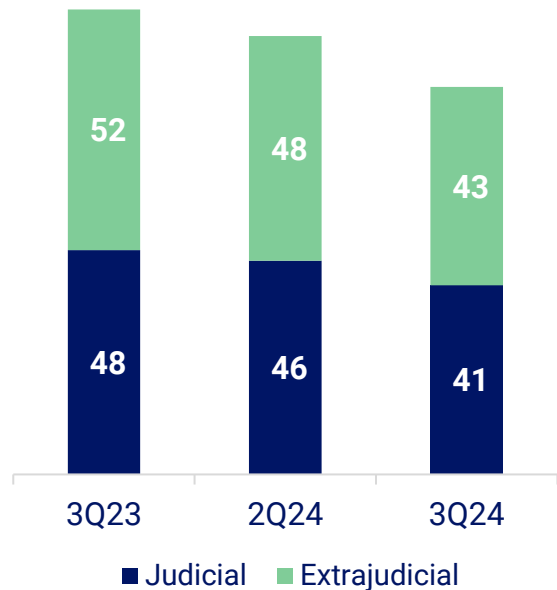
## Quarterly cash collection (€mln)

## Revenues from judicial and extrajudicial recovery\*\* (€mln)

Including Revalea	100	107	97
Excluding Revalea	100	94	83

	70	89	62
	70	80	53

- Starting early 2024, Banca Ifis concentrated on Revalea purchase and integration (limited other portfolio acquisitions)
- In 3Q24, Revalea contributed ca. €8mln\*\*\* (€9mln\*\*\* in 2Q24) in revenues and €14mln (€13mln in 2Q24) in cash collection
- 3Q24 cash collections were also affected by longer timeframes in secured corporate segment



\*Source: management accounting data and risk management data

\*\* It includes only interest income, excludes cost of funding and some minor items (i.e. net commission income and the gains on sales of receivables)

\*\*\* Figure excludes cost of funding and other indirect costs



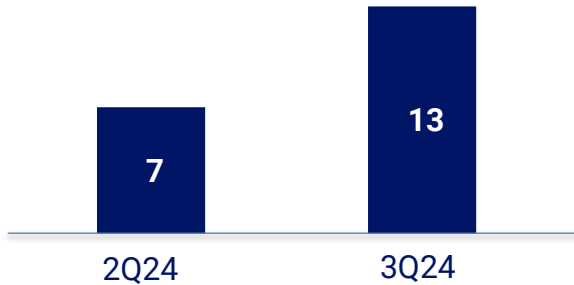
# Inflation impact countered by efficiency, enabling continued investments in transformation and positioning



<i>FITD &amp; SRF</i>	6	8	0
<b>Other provisions</b>	-	1	0
<b>Non recurring items</b>	0	0	0
<hr/>			
<b>Operating costs + other items</b>	<b>98</b>	<b>111</b>	<b>94</b>

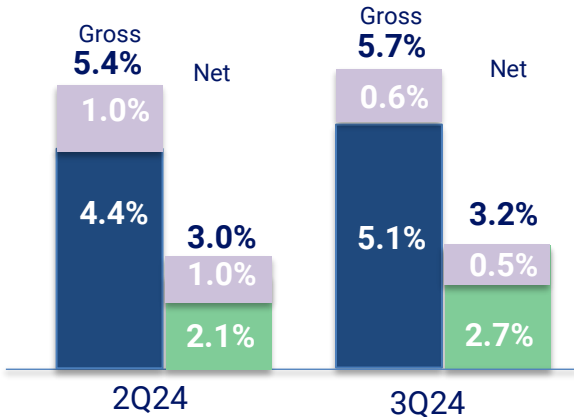
# 3Q 24 saw classification of specific exposures in certain sectors

## Loan loss provisions\*



- Coverage ratio of Npe further improved

Coverage	1Q24	2Q24	3Q24
Bad loans	79%	78%	73%
UTP	46%	45%	43%
Past due	7%	7%	12%
<b>Total</b>	<b>45%</b>	<b>45%</b>	<b>46%</b>

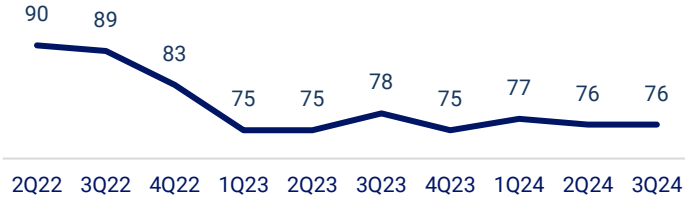


- The QoQ change in asset quality ratios is mainly due to lower stocking of performing loans (factoring seasonality). Total Gross and Net Npe are roughly stable QoQ
- The application of the New DoD led to the reclassification mainly into past due of the stock of loans vs. the Italian public health system (historically, a late payer with limited asset quality risk) reaching €40mln in 3Q24 (€75mln in 2Q24)

Legend: Gross Npes (dark blue), Loans vs. the public health system in past due (light purple), Net Npes (green), Net Npes excluding loans vs. the public health system in past due (light green)

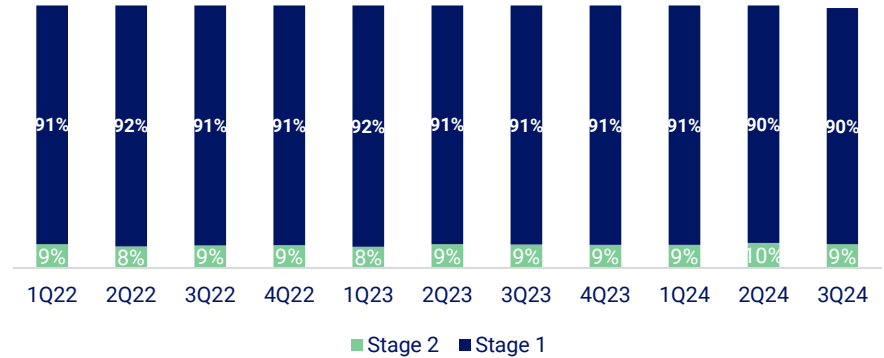
# At present, no signs of widespread macro credit risks materializing in Banca Ifis's commercial business

## Payment days in factoring



## Stage 1 and stage 2 loans\*

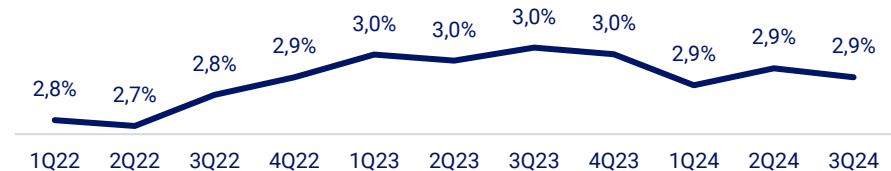
Coverage Stage 1: 1.1%  
Coverage Stage 2: 4.1%



## Ratings migration in credit book\*\*

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
1 notch change in rating ↑	15%	16%	17%	13%	12%	16%	14%
→	70%	70%	64%	76%	74%	69%	70%
↓	15%	14%	18%	11%	14%	15%	16%

## Probability of default\*\*\*



Source: management accounting

\*Data refers to €5.5bn customer loans as at 3Q24. Excludes loans at FV, securities, loans vs. banks and others

\*\* Data refer only to exposures to rated corporate (ca. €4.4bn)

\*\*\* Data refer to €4.6bn exposures in factoring and leasing

# Quarterly results

Reclassified Consolidated Income Statement - (€ mln)	2Q24	3Q24	9M23	9M24
Net interest income	146.6	117.0	409.5	404.4
Net commission income	23.8	22.7	74.3	69.6
Trading and other revenues	18.8	17.6	28.6	57.9
<b>Total Revenues</b>	<b>189.3</b>	<b>157.3</b>	<b>512.4</b>	<b>531.8</b>
Loan loss provisions	(7.3)	(13.0)	(30.9)	(28.9)
<b>Total Revenues - LLP</b>	<b>182.0</b>	<b>144.3</b>	<b>481.5</b>	<b>503.0</b>
Personnel expenses	(43.2)	(40.6)	(120.5)	(127.2)
Other administrative expenses	(62.2)	(53.4)	(167.0)	(177.6)
Other net income/expenses	1.5	0.4	4.3	5.1
<b>Operating costs</b>	<b>(104.0)</b>	<b>(93.6)</b>	<b>(283.1)</b>	<b>(299.7)</b>
Charges related to the banking system	(8.1)	-	(10.3)	(8.1)
Net allocations to provisions for risk and charges	1.4	0.1	(0.5)	(0.6)
Non recurring items	(0.3)	(0.2)	(1.3)	(0.6)
<b>Pre tax profit</b>	<b>71.1</b>	<b>50.6</b>	<b>186.2</b>	<b>194.1</b>
Taxes	(24.3)	(17.3)	(60.1)	(66.3)
<b>Net income - attributable to the Parent company</b>	<b>46.4</b>	<b>33.0</b>	<b>124.7</b>	<b>126.6</b>
Customer loans	10,464	10,090	9,908	10,090
- of which Npl Business	1,591	1,540	1,439	1,540
Total assets	13,473	13,046	13,920	13,046
Total funding	11,227	10,742	11,727	10,742
- of which customer deposits	6,775	6,801	5,281	6,801
- of which TLTRO and LTRO	431	-	2,071	-
Shareholders Equity	1,736	1,780	1,705	1,780

1 Throughout 2024, ca. €1bn of excess funding maintained to comfortably repay TLTRO in any scenario

Main items in 9M24 other revenues:

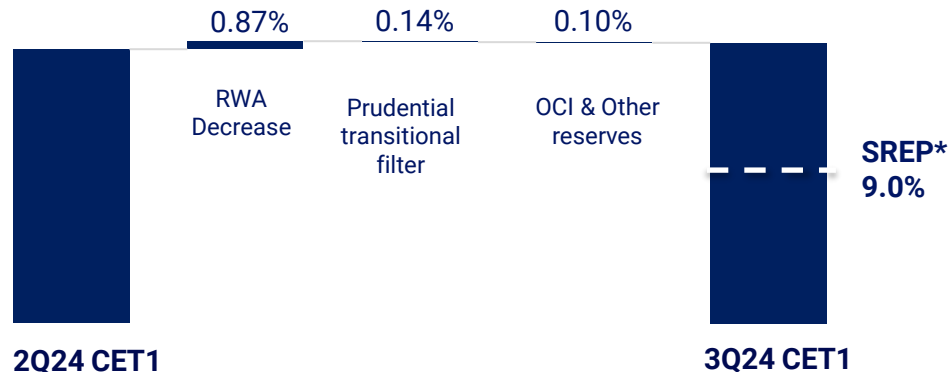
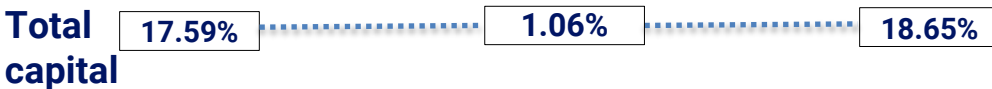
- €28mln income from the proprietary portfolio (of which €9mln dividends). In 3Q24 at €7mln
- €13mln capital gains from private equity and dividends on equity stakes from our corporate banking business In 3Q24 €6mln booked
- €10mln capital gains from the disposal of NPL portfolio tails. In 3Q24 at €4mln
- €6mln gains from the disposal of an equity stake coming from the restructuring of a former Interbanca Npl position (booked in 1Q24)

2 Funds related to FITD

In the above statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. In addition:

- Operating costs exclude "Net allocations to provisions for risks and charges", "Charges related to the banking system" and "Non recurring items"
- Loan loss provisions include: "Net provisions for unfunded commitments and guarantees"; "Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)"

# Capital ratios evolution



**CET1 of 16.43% as of 30 Sep 24, calculated including 9M net income and interim dividend (net of full year foreseeable dividend not paid out)\*\*)**

## Key items of CET1 evolution in 3Q24

- +0.87% mainly due to RWA decrease. Key items (i) lower credit RWA reflecting seasonality in corporate banking (ca. -€306mln RWA), (ii) lower RWA linked to asset quality and NPL business (ca. -€79mln RWA) (iii) lower RWA due to the introduction of ECAI Fitch rating and others (ca. -€143mln RWA)
- +0.24% mainly due to decrease in OCI reserve and re-introduction of prudential transitional filter on Government bonds as per Reg. (UE) 2024/1623

\*In January 2024 Banca Ifis Group received from the Bank of Italy the communication of the new SREP requirements. The new requirements are CET1 9.0% and Total Capital 13.30% (including 1.0% of P2G).

\*\* The dividend policy implies €77mln dividends in the first 9M24. Although only €63.1mln will be paid in Nov 2024, the difference of €13.5mln is deducted from CET1

# Confirmed guidance of €160mln net income in 2024

## Key trends in 2H24

- 1 Moderate loan demand as corporates are streamlining funding and the economy is slowing down, with growing competition in lending to high rating corporates**
  - Banca Ifis focus on profitability and successfully increased average spreads compared to previous year, while its customer loans remained substantially stable YoY contrasting with -2% YoY of the Italian market
- 2 The ECB has reduced interest rates by 0.75% since June 24**
  - Starting from 1Q24, Banca Ifis has decreased its sensitivity to interest rates reduction
- 3 Limited signs of asset quality deterioration, concentrated on specific sectors and a few exposures**
  - We have allocated overlays to targeted exposures. The Bank's overall asset quality risk is mitigated by our unique business model, characterized by strong portfolio diversification across sectors and borrowers, short-term lending, and robust collateral management
  - Risk outlook today still appears benign, but a normalization of cost of risk is expected
- 4 Contribution of NPL Business**
  - Following the acquisition of Revalea from Mediobanca, we achieved our NPL purchase targets for the 2022-24 Business Plan ahead of schedule. As anticipated, in 2024, we have adopted a more selective approach to NPL acquisitions
  - In the medium term, to address the impact of calendar provisioning, we will partner with co-investors and share the profitability and the risk of the NPL business



# Appendices

## 2.1 Segment results



# 3Q24 Results: P&L break-down by business unit

Data in € mln	Npl	Commercial & Corporate banking				Non core & G&S	Consolidated
		Factoring	Leasing	Corp. Banking & Lending	Tot. Commercial & Corporate banking		
Net interest income	53	33	13	16	62	3	117
Net commission income	(0)	16	2	6	24	(1)	23
Trading & other revenues	3	(0)	0	7	7	8	18
<b>Net revenues</b>	<b>55</b>	<b>49</b>	<b>15</b>	<b>29</b>	<b>93</b>	<b>9</b>	<b>157</b>
-Of which PPA	1	-	-	-	-	1	2
Loan loss provisions	(0)	(3)	(2)	(8)	(14)	1	(13)
Operating costs	(43)	(22)	(8)	(10)	(40)	(10)	(94)
Charges related to the banking system	-	-	-	-	-	-	-
Net allocations to provisions for risk and charges	-	(0)	(0)	1	0	(0)	0
<b>Net income</b>	<b>8</b>	<b>15</b>	<b>3</b>	<b>8</b>	<b>26</b>	<b>(0)</b>	<b>33</b>
Net income attributable to non-controlling interests	-	-	-	-	-	-	(0)
<b>Net income attributable to the Parent company</b>							<b>33</b>
<b>Net income (%)</b>	<b>23%</b>	<b>46%</b>	<b>9%</b>	<b>23%</b>	<b>77%</b>	<b>-1%</b>	<b>100%</b>
<b>Customer Loans</b>	1,540	2,361	1,550	2,472	6,383	<sup>1</sup> 2,166	10,090
<b>RWA<sup>1</sup></b>	1,773	2,338	1,292	1,924	5,554	1,194	8,521
<b>Allocated capital<sup>2</sup></b>	<b>291</b>	<b>384</b>	<b>212</b>	<b>316</b>	<b>912</b>	<b>196</b>	<b>1,400</b>

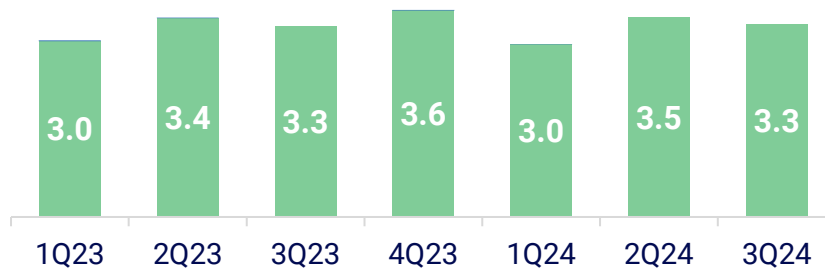
<sup>1</sup> Breakdown of customer loans in Non Core & G&S

- G&S: includes €1.4bn of Government bonds at amortized costs and €0.2bn of corporate bonds of our proprietary finance portfolio
- Non Core: includes €0.03bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.02bn of Npl (former Interbanca + Banca Ifis)

(1) RWA Credit and counterparty risk only. It excludes RWA from operating, market risks and CVA (~€1bn)

(2) RWA (Credit and counterparty risk only)

## Turnover - €bn



Net customer loans - €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
	2,467	2,558	2,359	2,845	2,572	2,744	2,361

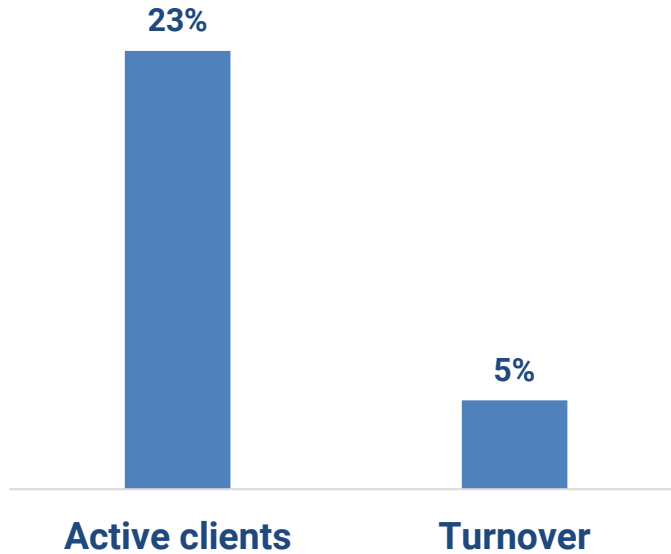
Data in €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Net revenues	43	44	44	42	45	46	49
Net revenues / avg. customer loans	6.6%	7.0%	7.1%	6.5%	6.6%	6.9%	7.6%
Loan loss provisions*	(3)	1	(4)	(23)	(2)	(7)	(3)

\*Loan loss provisions include: "Net provisions for unfunded commitments and guarantees"; "Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)"

\*\* Net revenues include interest income – interest expenses + commissions

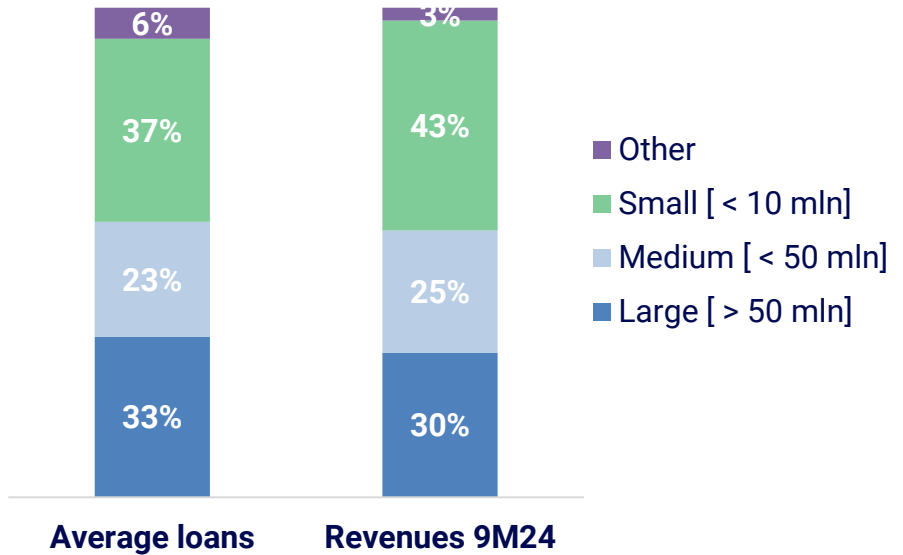
- Banca Ifis has strong focus on profitability: in 3Q24 factoring average spread at 3.98% (on top of base rate\*)
- Net revenues\*\* / average customer loans at 7.6%, well above market average, was impacted by some non-recurring items

## Market share - 2023



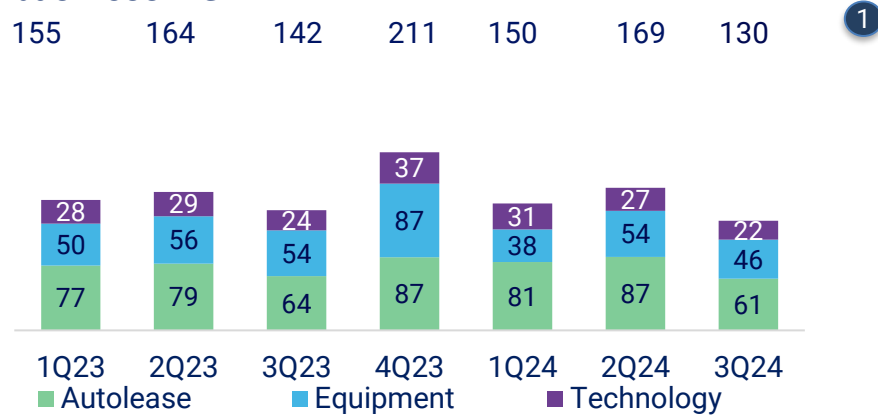
- Banca Ifis is market leader in terms of number of clients (23% market share vs. 5% in terms of turnover) reflecting its strong focus on small tickets and profitability

## Loans and revenues breakdown



- Medium/large corporate represents ca. 56% of customer loans and ca. 55% of revenues
- Other include physical persons, agricultural companies and financial corporates

## New business - €mln



1

1 The tax incentives may provide some acceleration for the leasing market in 4Q24

- Equipment and technology: evidence of delays in SME capex decisions
- Automotive: Banca Ifis's strategy (i) premium/luxury segments (not volumes) (ii) price/margin discipline (iii) remarketing agreements in place

2 Net revenues / average customer loans at 3.8% in 3Q24

3 Asset quality risk is mitigated by sector and borrower diversification and by the remarketing agreements for repossessed assets

Net customer loans - €mln

Quarter	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Net customer loans	1,475	1,499	1,494	1,552	1,551	1,571	1,550

Data in €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Net revenues	15	15	16	16	16	15	15
Net revenues / avg customer loans	4.2%	4.1%	4.2%	4.1%	4.1%	3.8%	3.8%
Loan loss provisions*	(1)	(1)	(1)	(1)	(2)	(2)	(2)

2

3

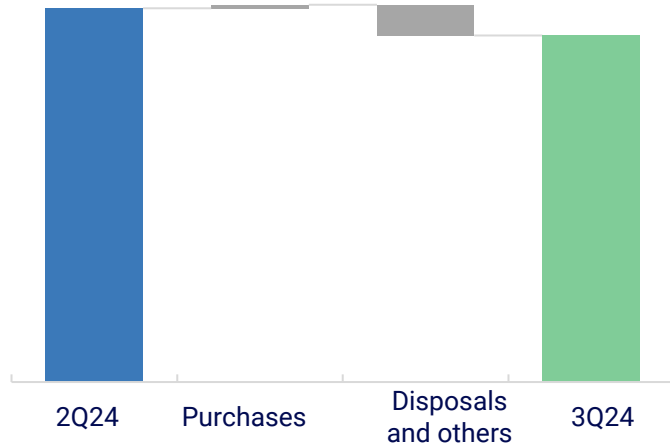
\*Loan loss provisions include:

"Net provisions for unfunded commitments and guarantees";

"Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)"

## Npl portfolio evolution (excluding Revalea)

NBV**	1,377			1,344
€mln				
GBV €bn	<b>18.4</b>	0.0	(1.1)	<b>17.3</b>



## Key numbers\*

- 1.6mln tickets, #1.1mln borrowers
- Extensive portfolio diversification by location, type and age of borrower

## No Npls acquired in 3Q24

- Following the acquisition of Revalea from Mediobanca completed on 31 Oct. 23, Banca Ifis achieved the Npl purchase targets of the 2022-24 Business Plan 1Y in advance. Banca Ifis is selective on Npl purchases going forward

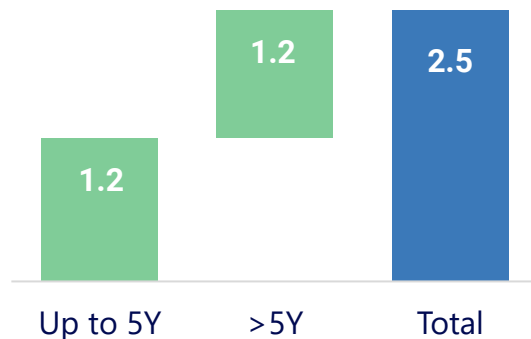
## Npls disposals and others in 3Q24: €1.1bn GBV\*

- The disposals of “tails” generated a capital gain of €3.6mln. “Others” includes cash collection on the existing portfolio

\*Source: management accounting data, excludes Revalea

\*\*Does not include customer loans related to Ifis Npl Servicing third parties servicing activities. Excludes Revalea

## ERC: €2.5bn (excludes Revalea)



## ERC breakdown

Data in €bn	GBV	NBV	ERC
Waiting for workout - At cost	0.3	0.0	-
Extrajudicial positions	10.6	0.4	0.7
Judicial positions	6.4	0.9	1.7
<b>Total</b>	<b>17.3</b>	<b>1.3</b>	<b>2.5</b>

## ERC assumptions

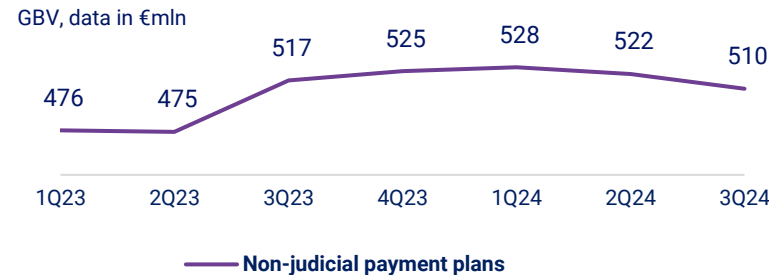
- ERC based on proprietary statistical models built using internal historical data series and homogeneous clusters of borrowers
  - Type of borrower, location, age, amount due, employment status
  - Time frame of recovery
  - Probability of decay
- ERC represents Banca Ifis's expectation in terms of gross cash recovery. Internal and external costs of positions in non-judicial payment plans (GBV of €0.5bn in 3Q24), court injunctions ["precetto"] issued and order of assignments (GBV of €2.1bn in 3Q24) have already been expensed in P&L
- **€2.8bn cash recovery (including proceeds from disposals) was generated in the years 2014 –3Q 2024**

## Judicial recovery

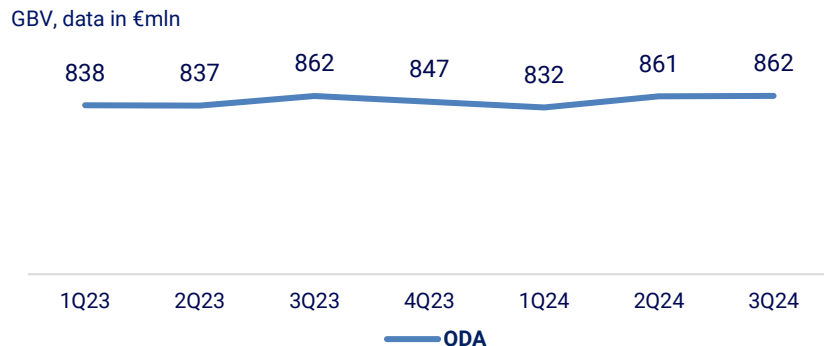
Judicial recovery (€ mln)	GBV	%
Frozen	1,183	18%
Court injunctions ["precetto"] and foreclosures	1,277	20%
Order of assignments	862	13%
Secured and Corporate	3,099	48%
<b>Total</b>	<b>6,422</b>	<b>100%</b>

To be processed

## Non judicial recovery – Voluntary plans

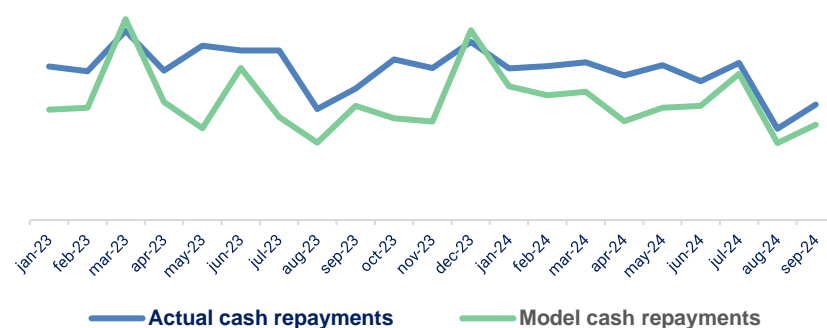


## Judicial recovery – Order of Assignments



## Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



\*Source: management accounting data. Excludes Revalea

In May/June 2020 cash collections (mainly secured) were postponed due to court shutdown

## 1 Cash collection

- Starting early 2024, Banca Ifis concentrated on Revalea purchase and integration (limited other portfolio acquisitions). In 3Q24, Revalea contributed ca. €8mln\*\* in revenues and ca. €14mln in cash collection, bringing total collection at €97mln. 3Q24 cash collections were also affected by longer timeframes in secured corporate segment
- As planned in the 3Y Business Plan, the Bank is progressively increasing settlements (“saldi e stralci”) to reduce timeframe of collections

Data in € mln (excluding disposals) – Excludes Revalea	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	2022 YE	2023 YE
Cash collection	97	98	100	102	98	94	83	384	397
Contribution to P&L**	73	69	70	89	73	80	53	295	301
Cash collection / contribution to P&L	134%	141%	142%	115%	133%	118%	156%	130%	132%

\*Source: management accounting data. Excludes Revalea

\*\* It includes only interest income, excludes cost of funding and some minor items (i.e. net commission income and the gains on sales of receivables)



# Npl Business\*: GBV and NBV evolution

GBV - €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Waiting for workout - Positions at cost</b>	<b>1,096</b>	<b>1,149</b>	<b>286</b>	<b>155</b>	<b>126</b>	<b>254</b>	<b>257</b>
<b>Extrajudicial positions</b>	<b>14,196</b>	<b>13,510</b>	<b>13,558</b>	<b>12,850</b>	<b>12,838</b>	<b>11,561</b>	<b>10,575</b>
- Ongoing attempt at recovery	13,720	13,035	13,041	12,326	12,310	11,039	10,065
- Non-judicial payment plans	476	475	517	525	528	522	510
<b>Judicial positions</b>	<b>7,539</b>	<b>7,338</b>	<b>7,328</b>	<b>6,997</b>	<b>6,842</b>	<b>6,555</b>	<b>6,422</b>
- Freezed**	1,708	1,609	1,572	1,526	1,388	1,274	1,183
- Court injunctions ["precetto"] issued and foreclosures	1,018	1,073	1,119	1,188	1,236	1,263	1,277
- Order of assignments	838	837	862	847	832	861	862
- Secured and Corporate	3,975	3,819	3,776	3,435	3,386	3,157	3,099
<b>Total</b>	<b>22,831</b>	<b>21,996</b>	<b>21,173</b>	<b>20,001</b>	<b>19,805</b>	<b>18,370</b>	<b>17,254</b>

NBV - €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	***
<b>Waiting for workout - Positions at cost</b>	<b>86</b>	<b>92</b>	<b>27</b>	<b>14</b>	<b>9</b>	<b>9</b>	<b>8</b>	
<b>Extrajudicial positions</b>	<b>468</b>	<b>460</b>	<b>484</b>	<b>490</b>	<b>485</b>	<b>466</b>	<b>448</b>	
- Ongoing attempt at recovery	230	222	223	217	209	193	181	
- Non-judicial payment plans	238	239	262	273	276	273	267	
<b>Judicial positions</b>	<b>929</b>	<b>913</b>	<b>922</b>	<b>918</b>	<b>905</b>	<b>903</b>	<b>888</b>	
- Freezed**	211	194	186	175	156	141	130	
- Court injunctions ["precetto"] issued and foreclosures	209	216	231	252	256	263	263	
- Order of assignments	355	355	359	353	359	370	367	
- Secured and Corporate	154	149	146	138	134	128	128	
<b>Total</b>	<b>1,483</b>	<b>1,465</b>	<b>1,434</b>	<b>1,422</b>	<b>1,399</b>	<b>1,377</b>	<b>1,344</b>	

\*Source: management accounting data, excludes Revalea

\*\*Other Judicial positions

\*\*\*Does not include customer loans related to Ifis Npl Servicing third parties servicing activities

# Npl Business\*: P&L and cash evolution

P&L - €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Waiting for workout - Positions at cost</b>							
<b>Extrajudicial positions</b>	27	26	23	37	21	20	13
- Ongoing attempt at recovery	(1)	0	0	3	(2)	(2)	(3)
- Non-judicial payment plans	28	26	23	34	23	22	17
<b>Judicial positions</b>	46	43	47	52	52	60	40
- Frozen**	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	40	37	38	46	47	52	34
- Secured and Corporate	6	6	9	6	6	7	6
<b>Total</b>	<b>73</b>	<b>69</b>	<b>70</b>	<b>89</b>	<b>73</b>	<b>80</b>	<b>53</b>

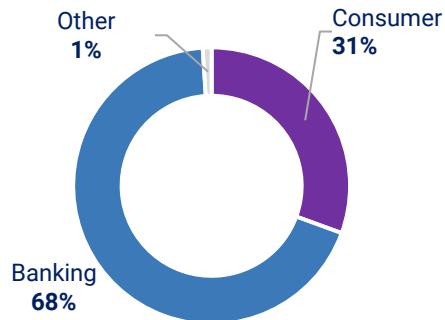
Cash - €mln	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
<b>Waiting for workout - Positions at cost</b>							
<b>Extrajudicial positions</b>	50	52	52	52	51	48	43
- Ongoing attempt at recovery	6	7	8	7	5	5	4
- Non-judicial payment plans	44	45	44	45	46	44	39
<b>Judicial positions</b>	48	45	48	50	47	46	41
- Frozen**	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	36	34	37	36	38	36	35
- Secured and Corporate	12	11	11	14	9	10	5
<b>Total</b>	<b>97</b>	<b>98</b>	<b>100</b>	<b>102</b>	<b>98</b>	<b>94</b>	<b>83</b>

\*Source: management accounting data. Excludes Revalea

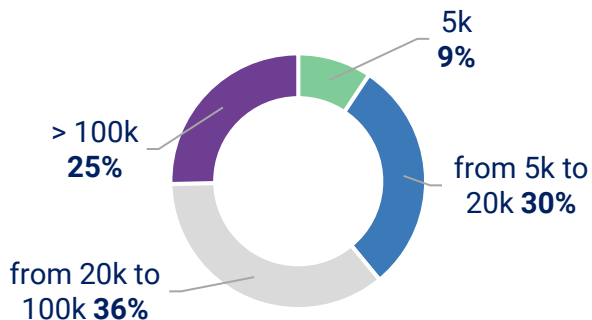
\*\*Other Judicial positions

# Npl Business\*: portfolio diversification

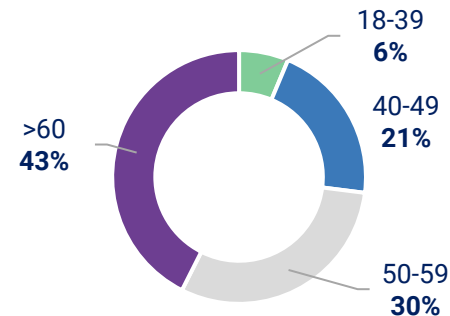
## Breakdown of GBV by type



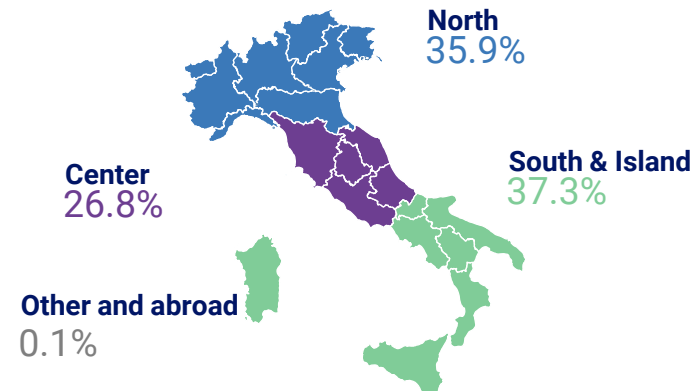
## Breakdown of GBV by ticket size



## Breakdown of GBV by borrower age



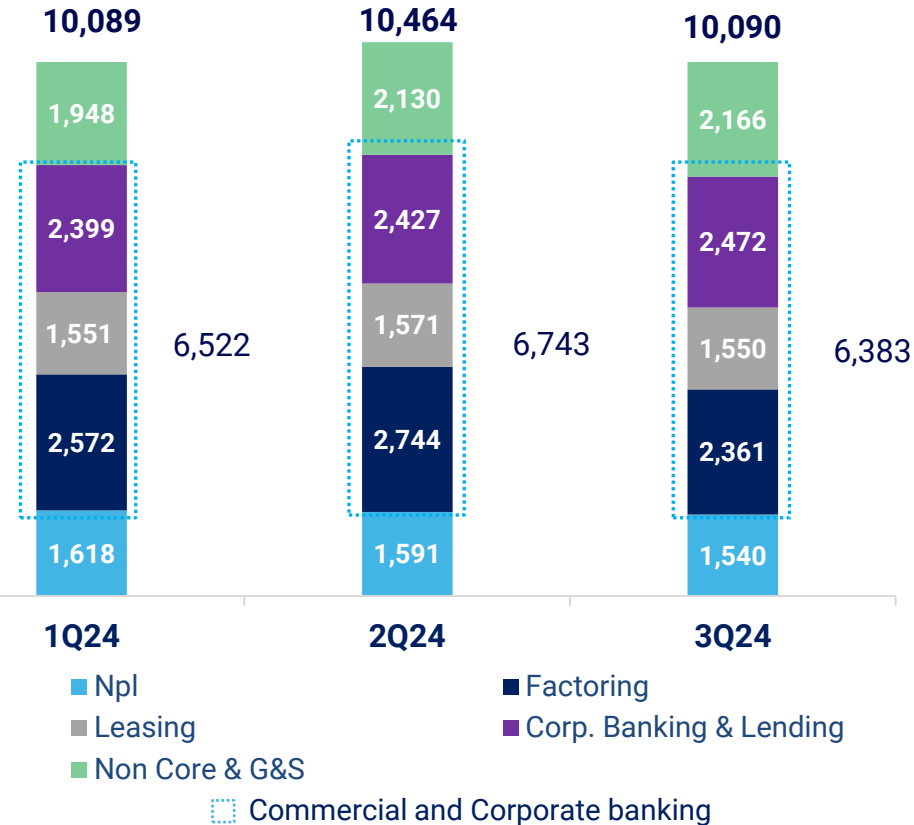
## Breakdown of GBV by region



\*Source: management accounting data and risk management data. Excludes Revalea (i.e. data refer only to property portfolio)

## **2.2 Consolidated financial data**

## Customer loans (€ mln) – Includes Revalea



- 3Q24 customer loans at €10,090, -€374mln QoQ mainly due to normal seasonality in factoring (-€383mln QoQ)
- Banca Ifis maintained disciplined in pricing and underwriting
- Banca Ifis's customer loans are flat YoY in a context of lower loan demand (-2% YoY in the Italian market) as corporates are streamlining funding and the economy is slowing down

## Asset quality (€ mln)

Consolidated ratios	1Q24	2Q24	3Q24
Gross Npe*	5.7%	5.4%	5.7%
Net Npe*	3.3%	3.0%	3.2%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	112	74%	29
UTPs	198	44%	110
Past dues	73	9%	67
<b>Total Npes</b>	<b>383</b>	<b>46%</b>	<b>206</b>

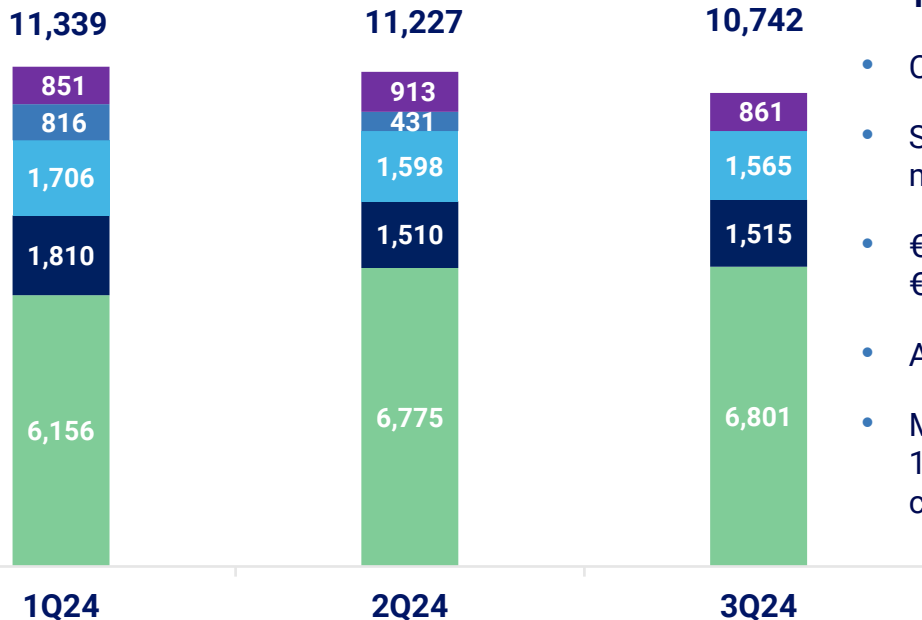
Non Core & G&S**	Gross	Coverage %	Net
Bad loans	8	52%	4
UTPs	21	35%	14
Past dues	9	34%	6
<b>Total Npes</b>	<b>38</b>	<b>38%</b>	<b>23</b>

- The QoQ change in asset quality ratios is mainly due to lower stocking of performing loans (factoring seasonality). Total Gross and Net NPEs are roughly stable QoQ
- **Asset quality ratios in 3Q24**
  - **Gross Npe Ratio\*:** 5.7% (5.4% % in 2Q24); 5.1% excluding loans in past due vs. Italian public health system
  - **Net Npe Ratio\*:** 3.2% (3.0% in 2Q24); 2.7% excluding loans in past due vs. Italian public health system
- Gross and Net Npe in Commercial & Corporate Banking came in at €383mln (€370mln in 2Q24) and €206mln (€201mln in 2Q24), respectively
- The New Definition of Default led to the reclassification mainly into past due of €40mln loans vs. the Italian public health system

\*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.4bn Government bonds at amortized costs in G&S.

\*\* Npes in Non Core & G&S that arose from the acquisition of former Interbanca, in accordance with IFRS 9 are qualified as POCI ("purchased or originated credit-impaired") and are booked net of provisions

## Funding (€mln)

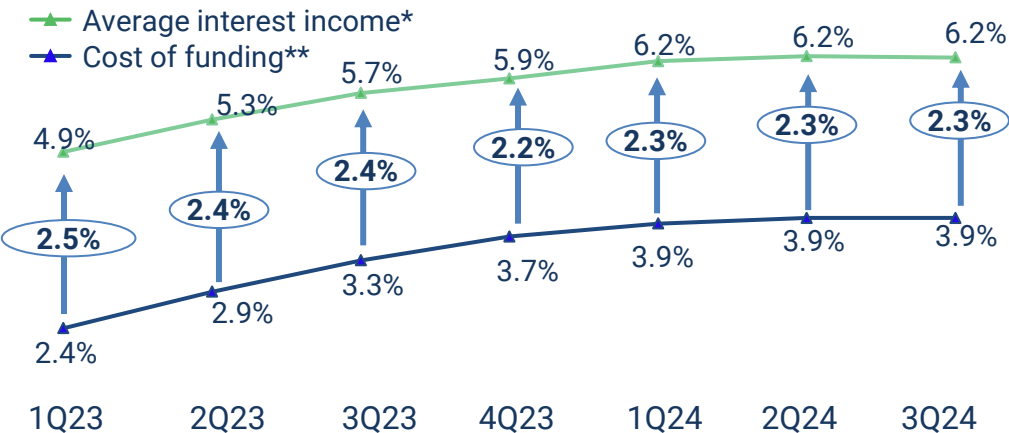


- TLTRO fully repaid in Sep. 2024
- Customer deposits flat QoQ
- Securitizations: €1,272mln of factoring and leasing; €293 mln of Banca Credifarma securitizations
- €400mln senior bond issuance in Febr. 24 to replace €400mln bond expired in June 24
- Average cost of funding at 3.94% in 3Q24
- MREL at 14.8% of TREA (including 2.5% CBR as per art. 128 CRD). The requirement of ca. €1.5bn is entirely covered by equity

■ Customer deposits ■ Bonds ■ Securitization ■ TLTRO & LTRO ■ Other

	1Q24	2Q24	3Q24
<b>LCR</b>	>2,600%	>1,250%	>900%
<b>NSFR</b>	>100%	>100%	>100%

## Interest income (excluding Npl Business, Non Core and Treasury) and interest expenses



	FY23	YTD 2024	Delta
Average interest income	5.45%	6.19%	+0.74%
Average cost	3.08%	3.91%	+0.83%
<b>Net Interest Margin</b>	<b>2.37%</b>	<b>2.28%</b>	<b>-0.09%</b>

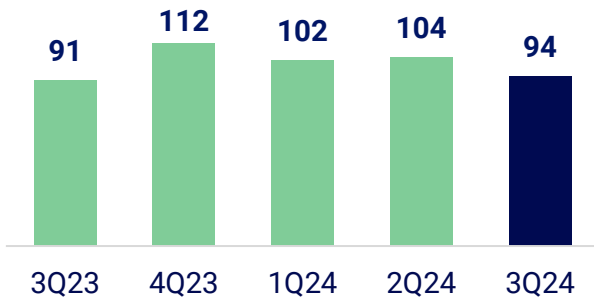
- Positive seasonality in factoring in 2Q and 4Q
- Prudent funding policy had priority over funding costs. Throughout 2024, ca. €1bn of excess funding maintained to comfortably repay TLTRO in any scenario
- Last 2 years show proven ability to pass cost of funding increase to clients

\* Interest income excludes Npl Business, Non Core and Treasury. \*\*Starting from 2024 Cost of funding doesn't include Bank of Italy interest receivable. 2023 data have been reclassified. <sup>32</sup>



# Reclassified consolidated operating costs\*

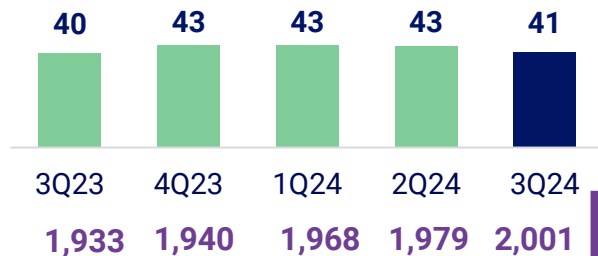
## Operating costs (€mln)



## 3Q24 operating costs -€10mln QoQ

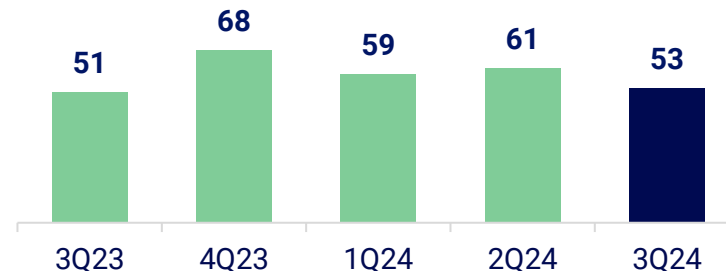
- -€2mln HR costs QoQ
- -€8mln QoQ in other operating costs. Main QoQ changes:
  - -€4mln NPL variable and operational costs
  - -€2mln lower ICT expenses due to Summer project slowdown
  - -€2mln other expenses

## Personnel expenses (€mln)



Group Banca Ifis employees

## Other adm. expenses and other income / expenses (€mln)



\*Figures exclude "Net allocations to provisions for risks and charges" and non recurring items

# Proprietary portfolio: resilient contribution to P&L

- Long term «fundamental» positioning strongly focused on investment grade bonds/ high dividend stocks coupled with opportunistic trading approach
- Mid duration level
- Low volatility accounting treatment: FVTPL < 1%
- Low RWA density and relevant funding eligibility
- Significant and stable contribution to P&L given by interest rates flow

## YTD24 proprietary portfolio revenues\*\* at around €85mln\*\*, +€15.7mln\*\* (+23%) vs. YTD23

- YTD24: €57mln interest income\*\* (~67% of proprietary portfolio revenues) + €28mln trading and other income\*\* (of which €9mln dividends)
- Increased average duration and selective bond disposals more than offset the shrinking of the portfolio (€2.610mln in 3Q24 vs €3.078mln in EOY23)

### 3Q24 proprietary portfolio revenues at €26mln\*\*

- 3Q24: €19mln\*\* interest income + €7mln\*\* trading and other income (of which €1mln dividends)

### Strategic and revenues pillars:

- Slight increase bond duration
- Opportunistic trading on fixed income and inflation linked securities
- Estimated additional dividend flow of €1mln in 4Q24

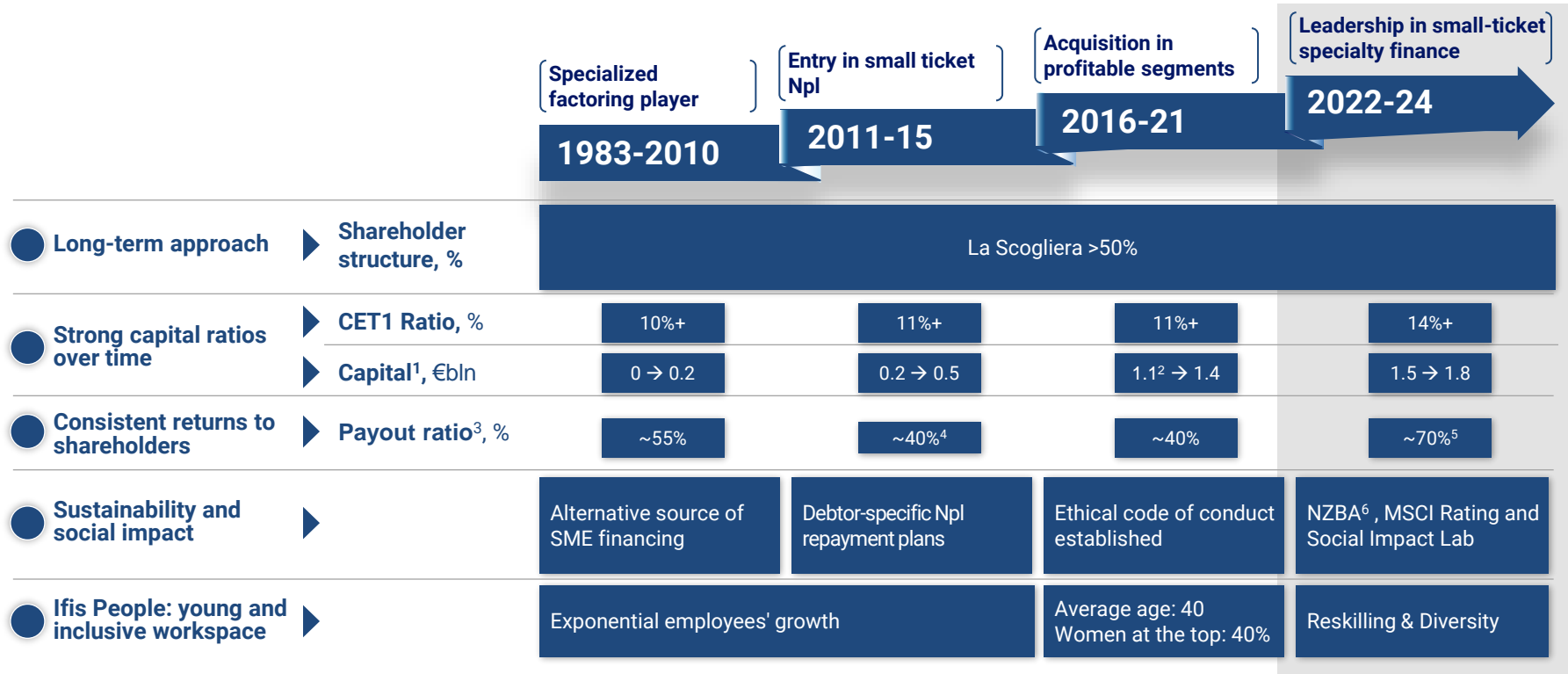
Type of asset - Data in €mln as at end of quarter (*)	Bonds			Equity	Total
	Government	Financial	Corporate		
Held to collect/amortized cost	1404	619	82		2104
Held to collect and sell (FVOCI)	274	69	45	108	495
<b>Total (HTC and HTC&amp;S)</b>	<b>1678</b>	<b>687</b>	<b>126</b>	<b>108</b>	<b>2600</b>
Held for trading/Funds/Other FVTPL					10
<b>Total portfolio</b>	<b>1678</b>	<b>687</b>	<b>126</b>	<b>108</b>	<b>2610</b>
Percentage of total	64,3%	26,3%	4,8%	4,1%	100,0%
Held to collect/amortized cost Modified Duration	3,1	2,8	2,3	NA	2,95
Held to collect and sell (FVOCI) Modified Duration	5,7	3,1	1,6	NA	4,8
FVTPL Modified Duration	11,2	0,2			11,2
<b>Average Modified duration - YEARS</b>	<b>3,5</b>	<b>2,8</b>	<b>2,0</b>	<b>NA</b>	<b>3,3</b>

(\*) Evaluation HTC: amortized cost  
Evaluation HTCS & HFT/Funds/Other FVTPL: market value

(\*\*) Figure exclude cost of funding

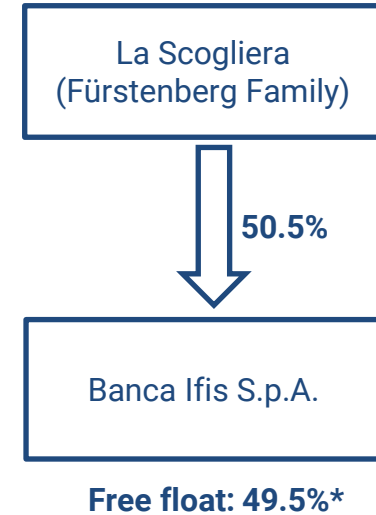
## 2.3 Company overview

# Banca Ifis: a long-term track record of sustainable growth



1. Own funds; 2. Increase in the capital levels driven by the acquisition of the former GE Capital Interbanca Group on 30 November 2016, with a gain on bargain purchase of €623.6mln recognized in the income statement and as such included in the Group's post-transaction capital position at 31 December 2016; 3. Average payout ratio within the time period; 4. Excluding gain from the rebalancing of the government bond portfolio from the profit of 2015; 5. Progressive payout ratio, upon exceeding the threshold of earnings necessary to satisfy the Bank's capital requirements. Subject to Bank of Italy's approval. Distribution of 50% of the consolidated net income up to €100mln. Distribution of 100% of the consolidated net income > €100mln; 6. Net-Zero Banking Alliance

- **La Scogliera provides, as main shareholder, continuity and stability to Banca Ifis**
- Strategic ESG focus both in specific positioning initiatives and in core operations (AA MSCI rating)
  - Long term value creation with a strategy focused on creating continuous adequate earnings, self funding superior growth and delivering attractive and steady dividends
  - Forefront in business and digital innovation
  - Prudent attitude towards risks but able seize industrial opportunities when they arise (i.e. acquisition of Interbanca, acquisition of Revalea)
- La Scogliera does not own any material assets other than Banca Ifis



\*Includes private banking, long only funds, hedge funds (limited presence), retails, index linked funds

## Commercial and Corporate Banking



- ▶ **Specialised player for SMEs**, with a broad range of credit products (factoring, lending, leasing, and rental)
- ▶ **Market leader in profitable businesses** (e.g., SME factoring, Tech Rental, Pharmacies)
- ▶ **"Light" commercial network** (without cash services) rooted in the most industrialized areas of the country
- ▶ Customer interaction based on a **high-performance service** model and a **reputation for efficiency**

**~100k**

active enterprise clients

**~6 €bln**

customer loans

**75%**

of credit portfolio with <1-year maturity

## Npl



- ▶ **Investor and servicer** specialized in **small ticket NPEs**, with a distinctive vertically integrated business model
- ▶ **Execution track record** with **originators, investors, and other servicers**, supported by pricing capabilities and proprietary debtors' database
- ▶ **Proven collection strategy** with distinctive skip tracing<sup>1</sup> capabilities and internal "legal factory" team

**~2 mln**

debtors' records

**1.5 €bln**

net book value

**6.0**

years for cash-to-cash  
2x

**Know-how in small tickets valuation and management**

**Short-term maturity of all asset classes**

**Proven capabilities in risk management and credit**

**Flexible capital allocation**

# 9M24 Results: P&L break-down by business unit

Data in € mln	Npl	Commercial & Corporate banking				Non core & G&S	Consolidated
		Factoring	Leasing	Corp. Banking & Lending	Tot. Commercial & Corporate banking		
Net interest income	206	90	38	55	183	15	404
Net commission income	(1)	49	8	16	73	(3)	70
Trading & other revenues	10	0	0	13	13	35	58
<b>Net revenues</b>	<b>216</b>	<b>139</b>	<b>46</b>	<b>85</b>	<b>269</b>	<b>47</b>	<b>532</b>
-Of which PPA	3	-	-	-	-	5	8
Loan loss provisions	0	(12)	(6)	(14)	(33)	4	(29)
Operating costs	(142)	(72)	(27)	(30)	(129)	(29)	(300)
Charges related to the banking system	-	-	-	-	-	(8)	(8)
Net allocations to provisions for risks and charges	2	(9)	-	5	(4)	1	(1)
Non recurring items	(1)	-	-	-	-	-	(1)
<b>Net income</b>	<b>50</b>	<b>30</b>	<b>9</b>	<b>30</b>	<b>69</b>	<b>9</b>	<b>128</b>
Net income attributable to non-controlling interests							(1)
<b>Net income attributable to the Parent company</b>							<b>127</b>
<b>Net income (%)</b>	<b>39%</b>	<b>24%</b>	<b>7%</b>	<b>23%</b>	<b>54%</b>	<b>7%</b>	<b>100%</b>
<b>Customer Loans</b>	1,540	2,361	1,550	2,472	6,383	1,166	10,090
<b>RWA<sup>1</sup></b>	1,773	2,338	1,292	1,924	5,554	1,194	8,521
<b>Allocated capital<sup>2</sup></b>	<b>291</b>	<b>384</b>	<b>212</b>	<b>316</b>	<b>912</b>	<b>196</b>	<b>1,400</b>

1 Breakdown of customer loans in Non Core & G&S

- G&S: includes €1.4bn of Government bonds at amortized costs and €0.2bn of corporate bonds of our proprietary finance portfolio
- Non Core: includes €0.03bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.02bn of Npl (former Interbanca + Banca Ifis)

(1) RWA Credit and counterparty risk only. It excludes RWA from operating, market risks and CVA (~€1bn)

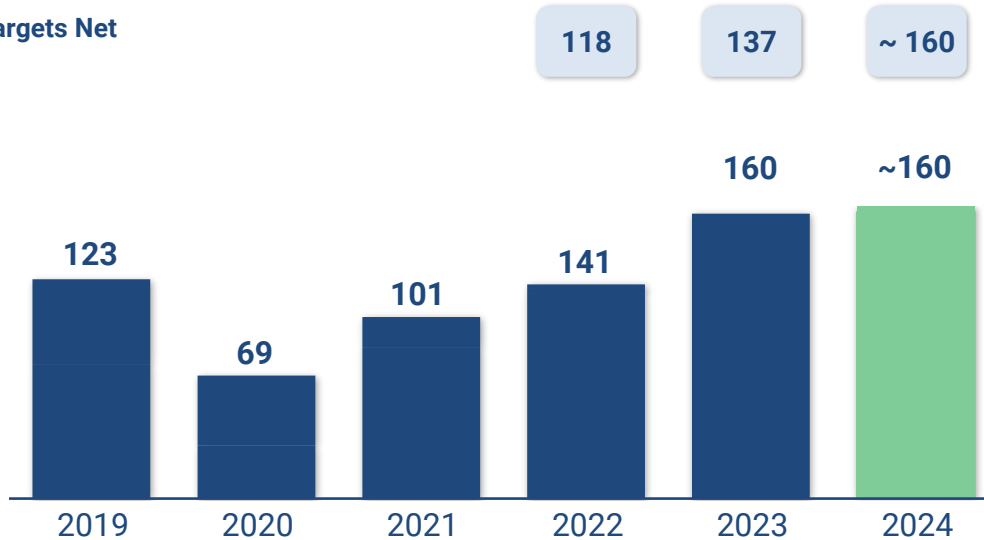
(2) RWA (Credit and counterparty risk only)

# Consistent “core net income” growth, driven by our core capabilities, with a low risk profile

## Net income target, €mln

Actual Target

Business Plan targets Net income, €mln



ROE %

8.2%

4.5%

6.5%

8.8%

9.7%

9.1%

## Banca Ifis' risk profile

- Structurally protected liquidity position (maturities)
- Marginal contribution of extraordinary revenues
- Diversification
- Fragmentation of exposures and prudent credit policies
- Cost/income protected through resource re-skilling

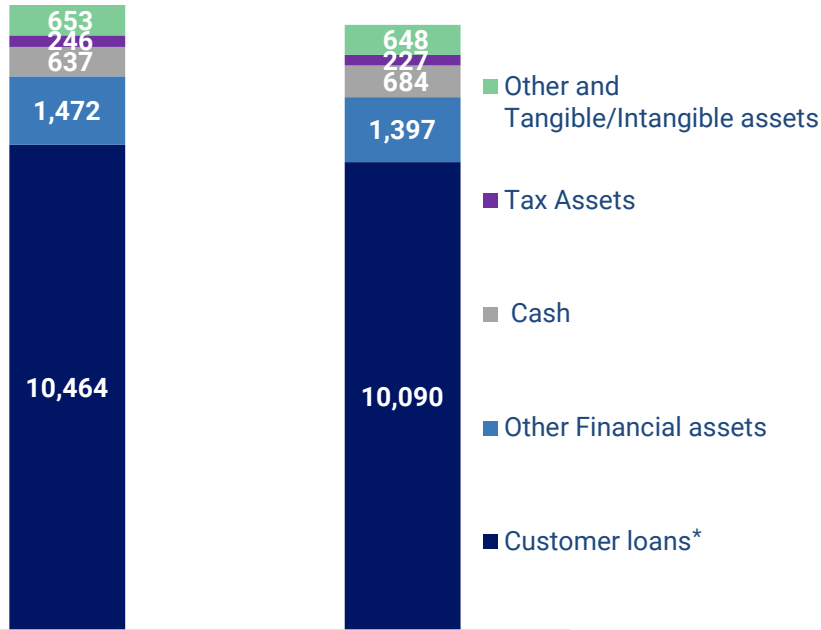


# Total assets and liabilities

## Assets (€mln)

13,473

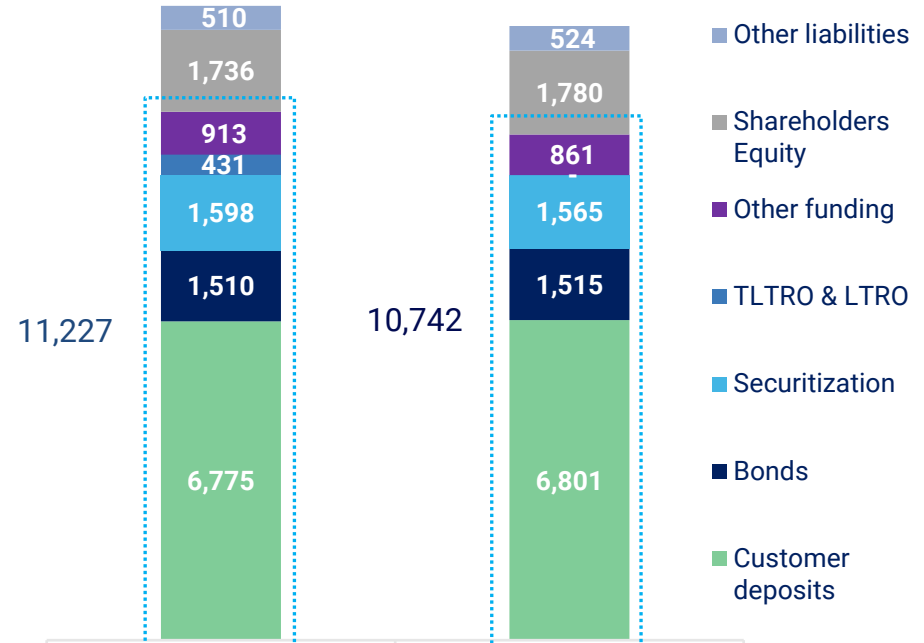
13,046



## Liabilities (€mln)

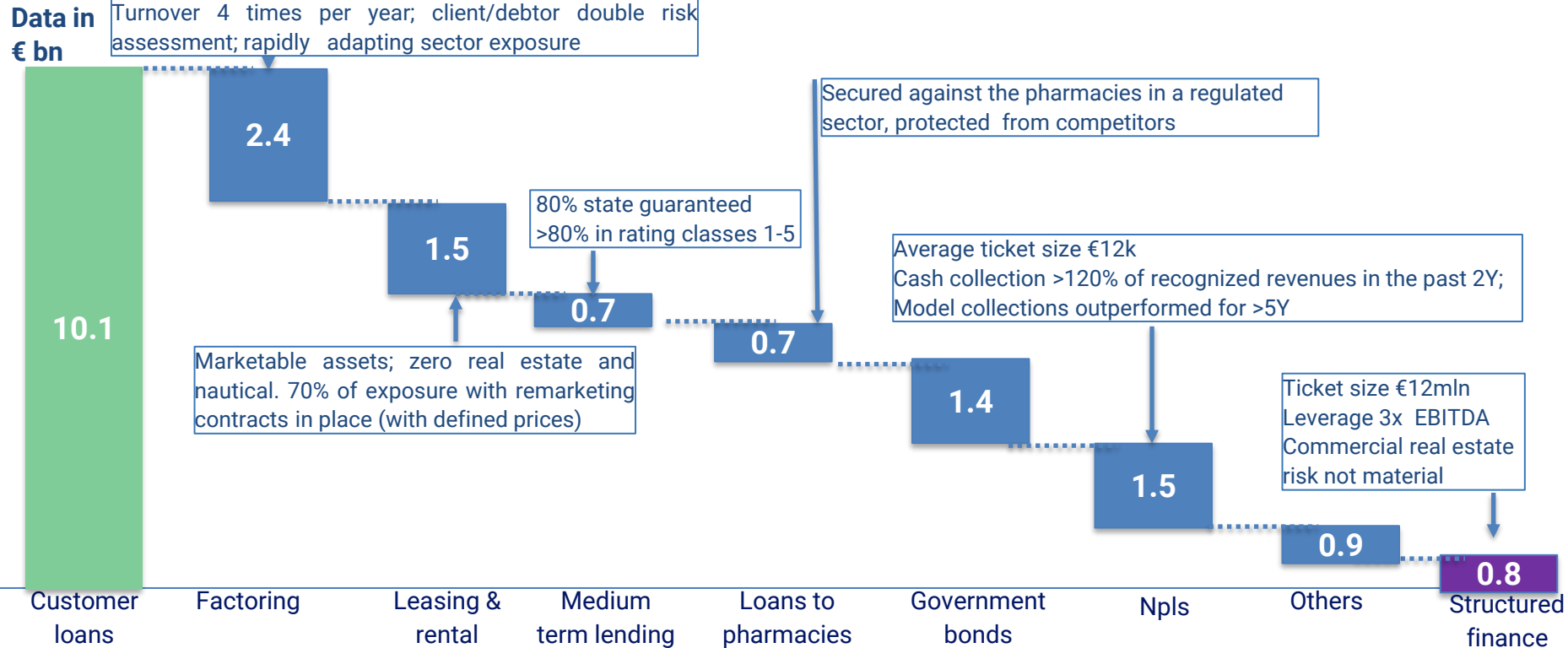
13,473

13,046



\*Customer loans include part of the proprietary finance portfolio

# Banca Ifis's superior risk-return trade-off (1/3)



**Only ca. 10%-15% of Banca Ifis's loan book is direct, unmitigated medium/term lending to enterprises. In this loan book, leverage and concentration risks are kept low and are strongly reserved against (management overlays)**

# Banca Ifis's superior risk-return trade-off (2/3)

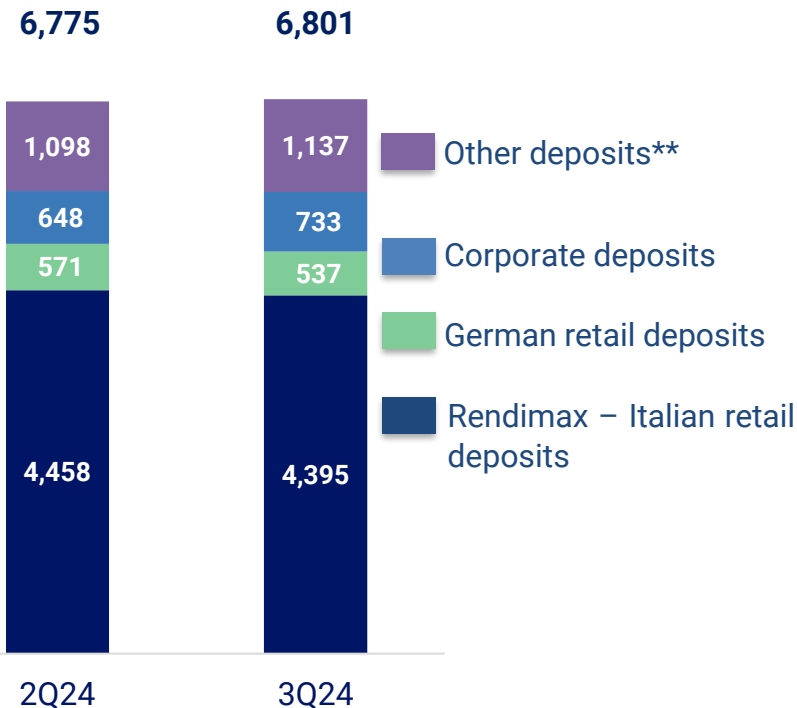
	€ bn	Average Duration in Y	Average ticket size
Factoring	2.4	0.21*	€360k*
Leasing	1.3	2.1	€50k auto €65k equipment
Rental	0.2	1.7	€5k
Medium term lending	0.7	2.7	€210k
Loans to pharmacies	0.7	7.5	€400k
Structured finance	0.8	4.0	€12mln
Npls	1.5	4.0	€12k
Government bonds	1.4	3.1	Government bonds classified as HTC
Other	0.9		€0.4bn financial bonds portfolio 5Y €0.1bn retail mortgages

\*Excluding factoring to PA, taxed incentives ("superbonus 110%") and VAT credit

**Customer loans: >70% of Banca Ifis's customer loan book has a duration shorter than 3Y**

# Banca Ifis's superior risk-return trade-off (3/3)\*

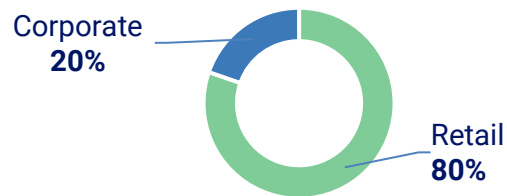
## Customer deposit breakdown



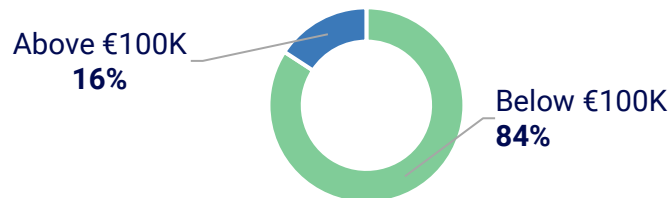
\*Source: management accounting data

\*\* Other deposits include €541mln Euronext Clearing, B.Credifarma retail deposits (€186mln in 3Q24)

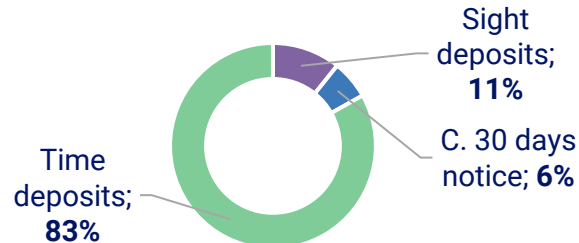
## Very limited corporate deposits



## Rendimax deposits: 84% protected by FITD



## Rendimax: stability of deposit base



## Financed Emissions

Approximately **80% of exposures** and financed emissions **considered by Banca Ifis NZBA targets**, focused on Automotive sector



## Reporting and transparency

The Group published its first Report aligned with the **recommendations of the Task force on Climate-related Financial Disclosures**

## Projects and partnerships

More than **30 projects financed** through the Social Impact Lab Kaleidos. **€1mln donated to Italian Food Bank**, equal to **10 million meals distributed**



## Impact measurement

Launch of a “**social impact measurement**” model developed with Triadi – Polytechnic University of Milan spin-off. **Average multiplier of ~4 for Kaleidos’ projects**

## Diversity and inclusion

Banca Ifis, the **first Italian bank certified by the Winning Women Institute**, obtained **UNI PdR 125 certification** on diversity and inclusion



## Sustainability Committee

The **President of the Group** chaired the **Sustainability Committee** (all top managers are members), further strengthening the governance of ESG matters

## Environmental



### Net-Zero Banking Alliance<sup>1</sup>

State and deliver on carbon objectives, as the **first Italian bank** to join the **Net-Zero Banking Alliance** (achieve net-zero emissions on own loans portfolio by 2050, by setting intermediate targets on priority sectors by 2030)

### SME clients' environmental transition

**Support SME clients' sustainable transition** via subsidized loans, advisory, and scoring service (even with other partners)

## Social



### Social Impact Lab

Kaleidos  
Banca Ifis

Manage projects to foster diversity and social inclusion in a **dedicated Social Impact Lab** focused on Culture, Community, and Wellbeing

### Social banking

Set the market benchmark in **supporting the financial recovery of debtors**: ethical collection model, support to fragile families

### Ifis People

Invest in the **growth and development of a young and dynamic workforce** with training inclusion programs; smart working and flexible work hours

## Governance



### Governance ESG

Further strengthen **inclusion and diversity** (nationality/heritage as well as gender) and empower the **Sustainability Committee** through chairmanship President Ernesto Fürstenberg Fassio

### ESG Assessment



**Obtained AA rating grade from MSCI.**

Management committed to improve the rating level already obtained in the course of the plan

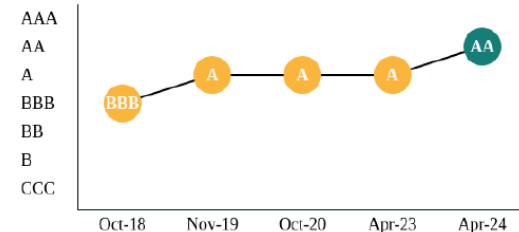
1. The industry-led Net-Zero Banking Alliance convened by the United Nations brings together banks from around 30 countries that are committed to aligning their portfolios of loans and investments with net-zero emissions by 2050

# MSCI upgraded Banca Ifis's ESG rating to AA

## MSCI has upgraded Banca Ifis's ESG rating to AA on 19 April 2024

- Banca Ifis's Overall Industry Adjusted Score has been increased from 7.1 points to 8.2 points since the last rating action

Dimensions	Weight	Industry average	Banca Ifis Score
Carbon Emissions	5%	8.2	7.3
Human Capital Development	35%	3.6	6.7
Corporate governance	60%	6.5	6.8
Corporate behaviour		5.7	5.7



- This Presentation may contain written and oral “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of Banca Ifis (the “Company”). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.
- The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the “Other Countries”), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.
- Data regarding macroeconomic scenario, Market, PPA, asset quality ratios, cost income ratios, liquidity ratios, cost of funding, proprietary portfolio, segment reporting, business unit breakdown, commercial and corporate loan breakdown are management accounting. Data regarding Npl portfolio and ERC, Npl cash recovery and Npl P&L contribution, Npl GBV and NBV evolution and breakdown, Npl P&L and cash evolution and breakdown are management accounting.
- Massimo Luigi Zanaboni, Manager charged with preparing the financial reports of Banca Ifis S.p.A., pursuant to the provisions of Art. 154 bis, paragraph 2 of Italian Legislative Decree no.58 dated 24 February 1998, declares that the accounting information included into this document corresponds to the related books and accounting records.
- Neither the Company nor any member of Banca Ifis nor any of its or their respective representatives directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.