

PRESS RELEASE  
RESULTS FOR THE FIRST NINE MONTHS OF 2023

## **Banca Ifis: net profit for the first nine months of 2023 up to 125 million Euro (+18.2%). Distribution resolved of an interim dividend 2023 in the amount of 63 million Euro**

On 31<sup>st</sup> October 2023, Banca Ifis finalised the acquisition of Revalea, a Mediobanca Group company. The transaction aims to consolidate the Bank's position as a key player in the market of non-performing loans in the small tickets unsecured segment.

- The favourable revenue trend, up 4.8% compared to the first nine months of 2022, is supported by the positive performance of the business, with growth in Factoring of 5.9% and in Leasing of 8.8%, as well as the positive correlation of trade receivables to rising interest rates.
- The option to allocate to a non-distributable equity reserve upon approval of the financial statement for FY 2023 as an alternative to the payment of the "windfall tax".
- Cash recoveries on Npl portfolios rise to 295 million Euro, up 4.0% compared to the first nine months of 2022, despite inflationary tensions.
- The CET1 ratio stands at 15.53%, including the profits generated by the Banking Group during the first nine months of 2023, net of the interim dividends, thereby easily exceeding capital requirements (8.65%).
- The solid capital position allows for the distribution of 63 million Euro (1.2 Euro per outstanding share, gross of any withholding taxes) of a 2023 interim dividend, which will be paid with ex-dividend date 20 November 2023, record date of 21 November 2023 and payment date of 22 November 2023.

### **Results for the first nine months of 2023**

Reclassified data<sup>1</sup> - 1 January 2023/30 September 2023

- **The Group's net profit amounted to 124.7 million Euro, up 18.2%** from 105.5 million Euro in the first nine months of 2022.
- **Net banking income, up 4.8% to 512.4 million Euro** from 488.7 million Euro in the same period of 2022, benefits from the positive correlation of Commercial & Corporate Banking Segment to rising interest rates. Revenues in the Npl Segment are broadly stable compared to the first nine months of 2022, highlighting the resilience of collections despite the rise of inflation.
- **Operating costs, at 288.5 million Euro (+3.6%** compared to 278.5 million Euro in the first nine months of 2022), increase due to higher personnel expenses (120.5 million Euro compared to 111.2 million Euro in the first nine months of 2022), mainly due to the increase in variable remuneration and provisions for the renewal of the collective agreement for bank employees, and higher other administrative expenses (172.4 million Euro compared to 171.5 million Euro in the first nine months of 2022). The focus on operational efficiency and cost control offsets the effect of rising prices.
- **The credit cost is 30.9 million Euro**, down by more than 35% compared with the first nine months of 2022, and includes 14 million Euro of provisions on the performing exposures portfolio to cover potential macroeconomic risks. The total provision on performing exposures for macroeconomic risks thus totalling approximately 65 million Euro.
- **The liquidity ratio, as of 30 September 2023, is equal to approximately 1.7 billion Euro** in reserves and free assets that can be financed by the ECB (LCR above 1,200%).

<sup>1</sup> Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- 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 allocation to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

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### Capital requirements<sup>2</sup>

- **CET1 comes to 15.53% (15.01% at 31 December 2022)** and TCR to 18.42% (18.82% at 31 December 2022), calculated including the profits generated by the Banking Group in the first nine months of 2023, net of the interim dividend.

**Rome, 09 November 2023** – The Board of Directors of Banca Ifis met today under the **chairmanship of Ernesto Fürstenberg Fassio** and approved the results for the first nine months of 2023.

*"The results for the first nine months of 2023 confirm the robustness of our business model and our ability to seize opportunities in a hitherto favourable macroeconomic environment resulting from a period of economic growth and the concomitant rise in interest rates. It is a context that, however, is now showing the first signs of deterioration. In the last quarter, the bank successfully offset the drop in demand for credit with lively commercial activity that saw, among other things, the development of products and solutions aimed at supporting the sustainable transition and digitisation of Italian small and medium-sized enterprises. With this in mind, the commercial offer was expanded with new leasing solutions in the car, alternative green mobility and sustainable energy segments, and a new tech rental product dedicated to private customers. All this by accelerating the digitisation path envisaged in the D.O.E.S. Business Plan. for 2022-24 with the evolution of the Ifis4Business platform into mylfis, maintaining a careful credit policy in terms of pricing and risk containment. The total provision on performing exposures for macroeconomic risks thus totals approximately 65 million Euro and confirms the prudent approach to the changing macroeconomic scenario. Also in the Npl business, the improved efficiency of the recovery strategies was reflected in the growth in collections compared to the same period in 2022, despite a much higher interest rate and inflation environment. In line with the expected timing, last 31 October, having obtained the necessary regulatory approvals, we perfected the long-term partnership for the management of non-performing loans, signed back in May 2023 with the Mediobanca Group and aimed at consolidating Banca Ifis's position as a key player in the market for non-performing loans in the small-ticket unsecured segment", declares **Frederik Geertman, Chief Executive Officer of Banca Ifis.***

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**The Commercial & Corporate Banking Segment's revenues**, up 15.1% compared to the first nine months of 2022, reflect the Group's positive correlation to rising interest rates (85% of the commercial loan portfolio is at floating rates). The dynamism of the Group's commercial network has allowed business to grow despite lower demand for credit due to higher interest rates: in the first nine months of 2023, Factoring turnover grew by 1.2% and Leasing disbursements by 8.2%. During the period, the digitalisation path was accelerated with the evolution of "Ifis4Business" into the new multi-product platform "mylfis", to make the relationship between the sales network and end customers more effective and fluid.

**In the Npl Segment**, cash recoveries on acquired portfolios amounted to 295 million Euro, up 4.0% on the first nine months of 2022. To date, judicial and extrajudicial recovery activities do not show any significant negative impact from rising inflation and interest rates.

At 3.1%, **the average cost of funding** in the third quarter of 2023 is up from 2.2% in the first quarter of 2023 and 2.8% in the second quarter of 2023. The liquidity position as of 30 September 2023 was approximately 1.7 billion Euro, benefiting from the senior bond issue of 300 million Euro completed in September 2023.

**Asset quality ratios**, the Gross Npe Ratio and the Net Npe Ratio stand respectively at 6.1% and 3.9%. These figures would come in respectively at 4.6% and 2.5% excluding reclassifications resulting from the application of the New Definition of Default regulations to receivables from the National Health System (NHS), which are characterised by limited credit risk and long payment terms.

**Capital ratios** confirm the strong strength of both the Bank and the Group. Both the main indicators remain well above the minimum required levels, with a consolidated CET1 Ratio of 15.53% (15.01% at 31 December 2022) and a

<sup>2</sup> CET1, Tier 1 and Total Capital at 30 September 2023 include the profits generated by the Banking Group in the first nine months of 2023, net of the interim dividend. The generated profits allocated to Own Funds also take into account the foreseeable dividend pursuant to Article 2 of EU Regulation no. 241/2014.

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consolidated Total Capital Ratio of 18.42% (18,82% at 31 December 2022), calculated including both profits for the first nine months of 2023, net of the interim dividend.

The bank has already completed many of the actions to repay the 2 billion Euro **TLTRO** well in advance, including the remarketing of the senior notes of the leasing securitisation for approximately 400 million Euro, the ramp-up of the Npl securitisation for a further 400 million Euro and the issuance of a senior bond for 300 million Euro. In addition to these transactions, there is the approximately 700 million Euro of the proprietary portfolio maturing naturally by September 2024. Repurchase and reverse repurchase transactions on the proprietary portfolio, the increase of retail funding with a multi-channel strategy and, in the event of favourable financial markets, senior bond issues are also planned for the coming quarters.

Supplementing the previous press release, please note that the Board of Directors' report and the financial statements as at 30 September 2023 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 2023 - are made available to the public at the Bank's registered office, as well as on the authorised storage mechanism and on the Bank's institutional website, [www.bancaifis.it](http://www.bancaifis.it), in the "Investor Relations" section. Lastly, for the purposes of the distribution of the interim dividend, the independent auditing firm PricewaterhouseCoopers S.p.A. today issued the opinion required by Article 2433-bis of the Italian Civil Code, which has been made available to shareholders at the Bank's registered office.

## Highlights

### RECLASSIFIED DATA<sup>3</sup>

The Banca Ifis Group's consolidated income statement at 30 September 2023 reports a profit attributable to the Parent company of 124.7 million Euro.

Highlights from the Banca Ifis Group's income statements for the first nine months of 2023 are set out below.

### Net banking income

Net banking income totals 512.4 million Euro, up 4.8% from 488.7 million Euro at 30 September 2022. Contributing to this result is the Commercial & Corporate Banking Segment with the growth of the Factoring Area, which stands at 130,5 million Euro and an increase of 5.9%, thanks to the increase in net interest income and net commissions, the **Leasing Area** (46.4 million Euro, an improvement of 3.8 million Euro compared to the same figure of 30 September 2022) and the better performance of the Corporate Banking & Lending Area (82.2 million Euro, +38.5% compared to the figure of 30 September 2022). The Npl Segment, which totals 202.1 million Euro, up 1.3 million Euro on the same period last year, mainly due to higher interest income (related to the increase in the average value of the underlying loans) and the good performance of legal collection. Finally, the Governance & Services and Non-Core Segment, which amounts to 51.2 million Euro, down 11.5 million Euro compared to the first nine months of 2022, this decrease being driven by a decrease in net interest income of 4.6 million Euro compared to 30 September 2022, mainly due to the negative impact of the increase in the cost of funding and the other components of net banking income, which also decreased by 7.4 million Euro, as a result of lower gains on the sale of financial assets and negative fair value changes on trading derivatives.

### Net impairment losses

Net credit risk losses of 30.9 million Euro are down 18.0 million Euro compared to September 2022. The change is mainly related to significant recoveries on written-down or written-off positions and the positive resolution of a restructured position.

<sup>3</sup> Reclassifications and aggregations of the consolidated income statement concern the following:

- net impairment 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";
- 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 allocation to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

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### Operating costs

Operating costs total 288.5 million Euro, showing an increase on 30 September 2022 (+3,6%).

The cost/income ratio stands at 56.3% (down 0.7% compared to the same period last year).

Below are details of the item's main components:

- personnel expenses, at 120.5 million Euro, increase by 8.3%, which can be attributed to the increase in personnel, higher variable remuneration as well as additional allocations for the renewal of the National Collective Bargaining Agreement (CCNL) for bank employees;
- other administrative expenses as at 30 September 2023 amount to 172.4 million Euro, in line with 30 September 2022, mainly due to expenses for the purchase of goods and services, which rose by 15.6%.

### Net allocations to provisions for risks and charges

Net provisions for risks and charges at 30 September 2023, amount to 6.7 million Euro and are almost entirely represented by the provision for the Single Resolution Fund. The balance worsened by 2.2 million Euro compared to 30 September 2022 (+48.8%), mainly due to the fact that the comparative balance for the first nine months of 2022 included the 5.6 million Euro reversal of provisions for risks related to GACS credit assignment transactions.

### Net profit attributable to the Parent company

The net profit attributable to the Parent company amounts to 124.7 million Euro, up 18.2% on the same period of 2022.

### Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the economic-equity results at 30 September 2023.

Net profit of the **Commercial & Corporate Banking Segment** comes to 70.7 million Euro, 26.7 million Euro higher than at 30 September 2022. As shown in more detail below, this result was driven by the growth in net interest income of 20,7 million Euro (+13.4%) and net commissions (+8.7 million Euro, or +13.6%) and other components of net banking income of 4.5 million Euro, as well as by lower net adjustments of 8.0 million Euro (-19.1%).

Net interest and other banking income derives from the combined effect of the various areas of the business, as described below:

- the contribution of the **Factoring Area** amounts to 130.5 million Euro, an increase of 5.9% compared to the same period of last year. This result is due to the greater contribution both of net interest income (up by 2.4 million Euro) and net commission income (up by 5.6 million Euro), as a consequence of the increase in the returns on the receivables under management;
- Net banking income from the **Leasing Area** amounts to 46.4 million Euro, an improvement of 3.8 million Euro compared with the figure at 30 September 2022. This increase is due to the higher contribution of net interest income of 4.6 million Euro, which was partially offset by the lower commission margin of 0.9 million Euro;
- net banking income of the **Corporate Banking & Lending Area** comes to 82.2 million Euro at 30 September 2023, up 22,9 million Euro on 30 September 2022 (+38.5%). The positive change is a result of the combined effect of the following factors:
  - growth of 13,7 million Euro in net interest income (+32.1%), thanks to the positive contribution of loans to SMEs and pharmacies for 10.7 million Euro and of Corporate Banking (and in particular of the Structured Finance business unit) for 3.0 million Euro;
  - higher net commissions of 4.0 million Euro (+42.4%), mainly from the Corporate Banking segment business;
  - a 5.1 million Euro increase in other net banking income components attributable to the Corporate Banking segment due to the higher contribution generated by the items measured at fair value, including UCITS funds (on which the period recorded greater valuation gains) and minority interests.

Net credit risk losses of the Segment amount to 33.9 million Euro, down 8.0 million Euro compared to the same period of the previous year. This change is mainly attributable to the Factoring Area, as the figure for the first nine months of 2022 was affected by adjustments on trade positions with higher vintage mainly related to positions with the NHS. There was also a decrease in the impaired portfolio in the first nine months of 2023 compared to the same period last year.

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The increase in operating costs of 4.1 million Euro compared to 30 September 2022 is essentially due to the rise in personnel expenses due to both the increase in headcount and higher variable remuneration and additional allocations in view of the renewal of the National Collective Bargaining Agreement (CCNL).

Period profit of the **Npl Segment** is 44.4 million Euro. The Segment's net banking income amounts to 202,1 million Euro and is essentially in line with the figure for the same period of the previous year, as the growth in interest income linked to the increase in average loans and the better performance of legal inflows were substantially offset by the lower contribution of out-of-court management and lower profits from the sale of Npl portfolios. Operating costs grow by 1.9 million Euro on the first nine months of 2022. This increase stems from higher personnel expenses due to both increased staffing levels and planned increases in the national collective bargaining agreement.

Npl Segment collections, equal to 294.8 million Euro at 30 September 2023, include the instalments collected during the period from re-entry plans, from garnishment orders and transactions carried out, and rises by 4.0% on the collections of 283.4 million Euro made in the first nine months of 2022.

The profit of the **Governance & Services and Non-Core Segment** at 30 September 2023 amounts to 11.1 million Euro, a decrease on the 30 September 2022 figure of 18.0 million Euro. Net banking income amounts to 51.2 million Euro, down 11.5 million Euro compared to the first nine months of 2022, due to a decrease in net interest income of 4.6 million Euro compared to 30 September 2022, mainly due to an increase in the cost of funding, and other components of net banking income, which also decreased by 7.4 million Euro, as a result of lower gains on the sale of financial assets and negative fair value changes on trading derivatives.

Operating costs come to 31.4 million Euro, up 4.0 million Euro on 30 September 2022. Net provisions for risks and charges amount to 6.4 million Euro, an increase of 4.6 million Euro compared to the figure as at 30 September 2022, mainly because the comparative figure included reversals on GACS at the end of the guarantee period.

**The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 September 2023 is shown below.**

### **Receivables due from customers measured at amortised cost**

Total receivables due from customers measured at amortised cost amount to 9,908.4 million Euro, a reduction on 31 December 2022 (10,186.9 million Euro). The item includes debt securities in the amount of 2.1 billion Euro (an increase on the figure for year-end 2022 of 1.9 billion Euro, +7.3%), of which 1.7 billion Euro related to government bonds (1.5 billion Euro at 31 December 2022). The Commercial & Corporate Banking Segment records a slight slowdown (-4.5%) concentrated in the Factoring Area (-14.4%), against the substantial stability of the Leasing Area and Corporate Banking & Lending Area. The Governance & Services and Non-Core Segment increases by 96.3 million Euro (mainly as a result of the aforementioned increase in the debt securities portfolio in the first nine months of 2023), while loans in the Npl Segment decrease slightly compared to 31 December 2022 (-5.3%).

### **Funding**

During the first nine months of 2023, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance with respect to retail funding. The Group has liquidity at 30 September 2023 (in reserves and free assets that can be financed in the ECB) such as to enable it to easily respect the LCR limits (with index more than of 1,200%).

Total funding amounts to 11.7 billion Euro at 30 September 2023 and is essentially in line with the figure at 31 December 2022; it is represented for 45.0% by payables due to customers (45,8% at 31 December 2022), for 27.6% by payables due to banks (30.7% at 31 December 2022), and for 27.4% by debt securities issued (23.4% at 31 December 2022).



## PRESS RELEASE RESULTS FOR THE FIRST NINE MONTHS OF 2023

The Group's funding structure is as follows:

- 45.0% customers;
- 17.7% TLTROs;
- 15.0% Asset Backed Securities (ABS);
- 12.4% debt securities;
- 9,9% other.

Payables due to banks come to 3.2 billion Euro, down 5.4% compared to the figure for end December 2022 mainly due to the onset maturity of short-term payables due to central banks (LTRO). As at 30 September 2023, the balance of payables due to banks is mainly represented by TLTRO transactions in the amount of 2.1 billion Euro and repo transactions in the amount of 0.9 billion Euro. For the purposes of accounting for interest on TLTRO loans, actual data recorded up to the reference date are used.

Payables due to customers at 30 September 2023 total 5.3 billion Euro, up 3.5% compared to 31 December 2022. The growth is driven by both retail funding, which amounts to 4.4 billion Euro as at the end of September 2023 (+4.9%), and the repurchase agreement (repo) component, which grows by 21.7 million Euro compared to 31 December 2022.

Debt securities issued amount to 3.2 billion Euro at 30 September 2023 and consist of:

- securities issued by the SPV ABCP Programme for 1.0 billion Euro relating to the senior tranche;
- securities issued by the Indigo Lease vehicle in the amount of 0.4 billion Euro relating to the senior tranche, following the restructuring of the transaction during the third quarter of 2023;
- securities issued by the Emma SPV for 0.4 billion Euro relating to the senior tranche;
- 0.4 billion Euro related to subordinated loans, in line with 31 December 2022;
- bonds issued by Banca Ifis for 1.1 billion Euro. Compared to 31 December 2022, the following changes have occurred:
  - 600 million Euro relating to the two senior bonds, each with a nominal amount of 300 million Euro and a maturity of 4 years and 5 years respectively, issued in January 2023 and September 2023;
  - 45 million Euro related to the second tranche issued in March 2023 and related to a senior bond with a duration of 4 years and a total nominal amount of 110 million Euro;
  - redemption of 300 million Euro of the senior bond issued in 2018 and maturing in April 2023.

## Equity and ratios<sup>4</sup>

Consolidated equity at 30 September 2023 totals 1,705.1 million Euro, up 6.7% on the 1,597.8 million Euro booked at end 2022. The main changes can be traced back to:

- the positive change relative to the period result pertaining to the Parent company of 124.7 million Euro;
- the negative change due to the payment of the balance on the 2022 dividend in the amount of 21.0 million Euro;
- the positive change in Equity attributable to non-controlling interests for 1.4 million Euro, for the part share of the period results accrued by the subsidiary Banca Credifarma;
- other increases of 2.0 million Euro related to the Group's share-based remuneration programmes of the Parent company Banca Ifis.

At 30 September 2023, the equity ratios for the Banca Ifis Group amount to a CET1 Ratio of 15.53%, a Tier 1 Ratio of 15.54% and a Total Capital Ratio of 18.42%.

Please note that the Bank of Italy, following the Supervisory Review and Evaluation Process (SREP) to review the capitalisation targets of the system's largest intermediaries, adopted the following capital requirements for the Banca Ifis Group, including a 2.5% capital conservation buffer:

- CET1 Ratio of 7.90%, with a required minimum of 5.40%;
- Tier 1 Ratio of 9.75%, with a required minimum of 7.25%;
- Total Capital Ratio of 12.15%, with a required minimum of 9.65%.

<sup>4</sup> CET1, Tier 1 and Total Capital at 30 September 2023 include the profits generated by the Banking Group in the first nine months of 2023, net of the interim dividend. The generated profits allocated to Own Funds also take into account the foreseeable dividend pursuant to Article 2 of EU Regulation no. 241/2014.

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

- CET1 Ratio of 8.65%, consisting of an OCR CET1 Ratio of 7.90% and a target component (Pillar 2 Guidance) of 0.75%;
- Tier 1 Ratio of 10.50%, consisting of an OCR Tier 1 Ratio of 9.75% and a target component of 0.75%;
- Total Capital Ratio of 12.90%, consisting of an OCR Total Capital Ratio of 12.15% and a target component of 0.75%.

At 30 September 2023, the Banca Ifis Group easily meets the above prudential requirements.

### Significant events during the period

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the “Press Releases” and the subsection of the “Investor Relations & Corporate Development” section of the institutional website [www.bancaifis.it](http://www.bancaifis.it) to view all press releases.

Here below is a summary of the most significant events in the first nine months of 2023.

#### Issue of the 300 million Euro bond maturing in 4 years

On 12 January 2023, Banca Ifis successfully completed the placement of a Senior Preferred bond issue under its EMTN programme amounting to 300 million Euro. The transaction was intended for institutional investors. Specifically, the issue has a maturity of four years, with a settlement date scheduled for 19 January 2023. The reoffer price is 99,569, for a return at maturity of 6,25% and a coupon that is payable annually in the amount of 6,125%. The bond was listed on Euronext Dublin and has an expected rating of BB+ by Fitch and Baa3 by Moody's. The placement of this bond is part of the EMTN funding programme envisaged in the Group's 2022-2024 Business Plan, which estimates 2,5 billion Euro of new placements.

#### The Shareholders' Meeting approved the Annual Report 2022, the distribution of a dividend of 0,40 Euro per share as balance for the financial year and the appointment of Sebastien Egon Fürstenberg as Honorary Chairman

- The Shareholders' Meeting of Banca Ifis, which met on 20 April 2023 in a single call under the chairmanship of Ernesto Fürstenberg Fassio, in compliance with the provisions in force, therefore in accordance with the procedures set forth in Article 106 of Legislative Decree no. 18 of 17 March 2020, approved, among the various items, the Banca Ifis 2022 financial statements; the distribution to shareholders of a dividend of 0,40 Euro as the balance for FY 2022, gross of any legal withholdings, per share with ex-dividend date (no. 27) on 22 May 2023, record date on 23 May 2023 and payment date on 24 May 2023;
- the appointment of Founder Sebastien Egon Fürstenberg as Honorary Chairman of Banca Ifis for an indefinite term.

#### The Board of Directors of Banca Ifis appoints Simona Arduini as Deputy Chair

The Board of Directors of Banca Ifis S.p.A. met on 13 July 2023 and unanimously approved the appointment of Professor Simona Arduini as Deputy Chair. Simona Arduini will support the bank, amongst other matters, in the pursuit of projects in the area of sustainability in all its forms. Prof. Arduini will retain her role as Chair of the Audit and Risk Committee until her term expires and will also join the Sustainability Committee. It has also been confirmed that Prof. Arduini meets the independence requirements.

#### Restructuring of Italy's first securitisation of Npl loans backed by an Assignment Order (ODA)

On 28 July 2023, with the support of JP Morgan SE as co-arrangers, Banca Ifis finalised the restructuring of the non-performing loan securitisation realised in March 2021 through the Ifis NPL 2021-1 SPV.

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The restructuring of the Ifis NPL 2021-1 SPV falls within the scope of funding activities and allows Banca Ifis to raise liquidity on the institutional market without deconsolidating the underlying loans from the balance sheet of the Ifis Npl Investing subsidiary. The transaction also generated a strengthening of the Banca Ifis Group's liquidity profile, while allowing Ifis Npl Investing to increase its ability to self-finance its investment activities in new Npl portfolios.

### **Approval of Banca Ifis's new dividend policy**

The Board of Directors of Banca Ifis approved the new shareholder remuneration policy on 3 August 2023. This Dividend Policy provides for a progressive mechanism with an increase in the payout ratio when the threshold of earnings needed to meet the Bank's capital requirements (retained earnings) is exceeded, in accordance with the reference macroeconomic and regulatory context and the progress of the Business Plan in force over time. The Board may propose to the Shareholders' Meeting to distribute a portion of the Bank's net profit for the year up to 50% of the consolidated net profit attributable to Banca Ifis up to the Materiality Threshold identified when defining the annual budget and 100% of the consolidated net profit attributable to Banca Ifis in excess of the Materiality Threshold. The Materiality Threshold, for 2023, is set at 100 million Euro. This is without prejudice, in any case, to the Board's full discretion in defining, on a case-by-case basis, the dividend distribution proposal to be submitted to the Shareholders' Meeting, in accordance with Article 28 CRR.

### **Publication of Banca Ifis's first TCFD Report**

On 03 August 2023, the Board of Directors of Banca Ifis has approved the first edition of the TCFD Report, presenting useful information for investors and stakeholders to correctly assess the Bank's climate-related risks and opportunities. The document, drawn up on a voluntary basis and aligned with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), created on the initiative of the Financial Stability Board, further expands the Group's ESG reporting, representing, among other projects, the strategy to reduce emissions financed on the credit portfolio that the Bank has defined by joining, first in Italy, the Net-Zero Banking Alliance (NZBA), the initiative promoted by the United Nations to accelerate the sustainable transition of the international banking sector.

### **September 2023 issue of the 300 million Euro bond maturing in 5 years**

On 6 September 2023, Banca Ifis completed the placement of a 300 million Euro senior preferred bond issue aimed at institutional investors. The transaction is part of the 5 billion Euro EMTN issuance programme, as envisaged in the Bank's 2022-2024 Business Plan. In detail, the bond issue has a term of 5 years, with a settlement date of 13 September 2023 and maturity on 13 September 2028. The reoffer price was set at par, with an annually payable coupon of 6,875%. The bond is listed on the Luxembourg Stock Exchange and has a rating of Baa3 by Moody's and BB+ by Fitch.

### **Roberto Ferrari appointed as Banca Ifis's new CFO**

Banca Ifis has strengthened its management team with the addition of Roberto Ferrari who, starting 20 September 2023, has been appointed Chief Financial Officer (CFO). In his new role, Ferrari reports directly to the CEO, Frederik Geertman. In compliance with the provisions contained in the Instructions to the Rules of Markets organised and managed by Borsa Italiana S.p.A., we inform that Mr Ferrari does not hold shares of Banca Ifis.



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## **Significant subsequent events**

### **Npl industrial partnership perfected with the Mediobanca Group**

On 31 October 2023, the long-term partnership agreement signed the previous May between Banca Ifis and the Mediobanca Group for the management of non-performing loans (Npls) has been perfected. In particular, following the obtainment of the necessary regulatory authorisations, Banca Ifis finalised the acquisition from Mediobanca Group, for a consideration of 100 million Euro, of Revalea S.p.A., a company created in 2022 from the spin-off of Npls deriving from the acquisition of non-performing loan portfolios with a gross carrying amount of 6,5 billion Euro and a net carrying amount of 232,1 million Euro as at 30 September 2023. The transaction consolidates Banca Ifis's position as a key player in the market for non-performing loans in the small-ticket unsecured segment and allows Mediobanca to exit the Npl business, no longer among the Group's core activities, while also consolidating MBCredit Solutions's specialisation in management and recovery activities, being able to count on constant business volumes for the coming years. With the completion of the transaction, the multi-year servicing agreement entered into force, under which MBCredit Solutions will continue to support Banca Ifis in the management and recovery of non-performing loans. In the context of the acquisition, 18 Revalea employees joined the Banca Ifis Group team.

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

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

## PRESS RELEASE RESULTS FOR THE FIRST NINE MONTHS OF 2023

### Reclassified Financial Statements and key balance sheet data

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

- net impairment 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";
- 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 allocation to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
  - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

### Reclassified Consolidated Statement of Financial Position

<b>ASSETS</b> (in thousands of Euro)	<b>30.09.2023</b>	<b>31.12.2022</b>
Cash and cash equivalents	1.453.013	603.134
Financial assets held for trading	21.771	26.868
Financial assets mandatorily measured at fair value through profit or loss	192.893	195.220
Financial assets measured at fair value through other comprehensive income	780.762	697.611
Receivables due from banks measured at amortised cost	616.616	565.762
Receivables due from customers measured at amortised cost	9.908.360	10.186.932
Hedging derivatives	4.819	-
Property, plant and equipment	132.435	126.341
Intangible assets	71.789	64.264
<i>of which:</i>		
- goodwill	38.020	38.020
Tax assets:	271.668	325.181
a) current	31.214	60.924
b) prepaid	240.454	264.257
Non-current assets and disposal groups	813	-
Other assets	465.454	471.064
<b>Total assets</b>	<b>13.920.393</b>	<b>13.262.377</b>

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<b>LIABILITIES AND EQUITY</b> <b>(in thousands of Euro)</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Payables due to banks	3.236.570	3.422.160
Payables due to customers	5.280.665	5.103.343
Debt securities issued	3.209.338	2.605.195
Financial liabilities held for trading	20.933	25.982
Tax liabilities:	50.449	52.298
a) current	20.296	21.961
b) deferred	30.153	30.337
Other liabilities	352.148	391.697
Post-employment benefits	7.231	7.696
Provisions for risks and charges	57.960	56.225
Valuation reserves	(57.021)	(59.722)
Reserves	1.507.460	1.440.944
Interim dividends (-)	-	(52.433)
Share premiums	84.108	83.767
Share capital	53.811	53.811
Treasury shares (-)	(21.817)	(22.104)
Equity attributable to non-controlling interests	13.817	12.432
Profit for the period	124.741	141.086
<b>Total liabilities and equity</b>	<b>13.920.393</b>	<b>13.262.377</b>

**Reclassified Consolidated Income Statement**

<b>ITEMS</b> <b>(in thousands of Euro)</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
<b>Net interest income</b>	<b>409.506</b>	<b>392.504</b>
<b>Net commission income</b>	<b>74.299</b>	<b>65.210</b>
Other components of net banking income	28.552	30.978
<b>Net banking income</b>	<b>512.357</b>	<b>488.692</b>
Net credit risk losses/reversals	(30.870)	(48.874)
<b>Net profit (loss) from financial activities</b>	<b>481.487</b>	<b>439.818</b>
Administrative expenses:	(292.861)	(282.769)
a) personnel expenses	(120.466)	(111.244)
b) other administrative expenses	(172.395)	(171.525)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(13.024)	(12.320)
Other operating income/expenses	17.360	16.551
<b>Operating costs</b>	<b>(288.525)</b>	<b>(278.538)</b>
Net allocations to provisions for risks and charges	(6.717)	(4.515)
Value adjustments of goodwill	-	(762)
Gains (losses) on disposal of investments	-	304
<b>Pre-tax profit from continuing operations</b>	<b>186.245</b>	<b>156.307</b>
Income taxes for the period relating to continuing operations	(60.120)	(50.190)
<b>Profit (loss) for the period</b>	<b>126.125</b>	<b>106.117</b>
(Profit) loss for the period attributable to non-controlling interests	(1.384)	(574)
<b>Profit (loss) for the period attributable to the Parent company</b>	<b>124.741</b>	<b>105.543</b>

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**Consolidated own funds and capital adequacy ratios**

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	30.09.2023	31.12.2022
Common Equity Tier 1 (CET1) capital	1.536.437	1.520.570
Tier 1 capital	1.537.420	1.521.490
<b>Total Own Funds</b>	<b>1.822.028</b>	<b>1.906.288</b>
<b>Total RWAs</b>	<b>9.892.146</b>	<b>10.128.064</b>
CET1 Ratio	15,53%	15,01%
Tier 1 Ratio	15,54%	15,02%
<b>Total Capital Ratio</b>	<b>18,42%</b>	<b>18,82%</b>

*CET1, Tier 1 and Total Capital at 30 September 2023 include the profits generated by the Banking Group in the first nine months of 2023, net of the interim dividend. The generated profits allocated to Own Funds also take into account the foreseeable dividend pursuant to Article 2 of EU Regulation no. 241/2014.*

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