Consolidated Interim Report at 31 March 2025

Banca Ifis

Summary

Corporate Bodies

Banca Ifis

Corporate offices and Independent auditing firm in office at approval of this document

Honorary Chairman

Sebastien Egon Fürstenberg

Board of Directors

Chairman	Ernesto Fürstenberg Fassio
Vice Chair	Rosalba Benedetto
Chief Executive Officer (CEO)	Frederik Herman Geertman [(1)]
Directors	Simona Arduini
	Monica Billio
	Nicola Borri
	Beatrice Colleoni
	Roberto Diacetti
	Roberta Gobbi
	Luca Lo Giudice
	Antonella Malinconico
	Giovanni Meruzzi
	Chiara Paolino
	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 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 (Italy)
Nature of reporting activity: Credit business
ABI: 3205.2
Tax Code and Venice Companies Register Number: 02505630109
VAT Number.: 04570150278
Enrolment in the Register of Banks No.: 5508
Website: www.bancaifis.it

FCI Member

Interim Directors' report on the Group

Banca Ifis

General aspects

The Consolidated Interim Report at 31 March 2025 includes the Reclassified Consolidated Financial Statements, the related Notes and this Interim Directors' Report on the Group.

The statement of financial position and the income statement, within the Interim Directors' Report on the Group, are presented in reclassified form, according to management criteria, in order to provide timely information on the Group's general performance based on aggregated economic and financial data that are quick and easy to understand, to allow for a more immediate reading of the results, within the Directors' Report on the Group, a condensed reclassified consolidated income statement is prepared.

Analytical details of the restatements and reclassifications made with respect to the Consolidated financial statements compliant with Bank of Italy Circular 262 are provided in separate tables published among the annexes (see the section “Annexes” of this document), also in compliance with the requirements of Consob Communication No. 6064293 of 28 July 2006.

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

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to “Net interest income”) to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of “Operating costs”;
- cost and revenue items deemed as “non-recurring” (e.g. because they are directly or indirectly related to business combination transactions, such as the “gain on a bargain purchase” in accordance with IFRS 3), are excluded from the calculation of “Operating costs”, and are therefore reversed from the respective items as per Bank of Italy 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	
	31.03.2025	31.12.2024	ABSOLUTE	%
Cash and cash equivalents	385.660	505.016	(119.356)	(23,6)%
Financial assets measured at fair value through profit or loss	271.846	249.101	22.745	9,1%
Financial assets measured at fair value through other comprehensive income	901.677	701.830	199.847	28,5%
Receivables due from banks measured at amortised cost	589.491	703.763	(114.272)	(16,2)%
Receivables due from customers measured at amortised cost	10.551.764	10.810.018	(258.254)	(2,4)%
Total assets	**13.579.341**	**13.825.738**	**(246.397)**	**(1,8)%**
Payables due to banks	1.791.493	1.443.250	348.243	24,1%
Payables due to customers	6.372.267	7.001.763	(629.496)	(9,0)%
Debt securities issued	3.067.443	3.152.737	(85.294)	(2,7)%
Consolidated equity	**1.800.506**	**1.748.146**	**52.360**	**3,0%**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT HIGHLIGHTS (in thousands of Euro)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net banking income	**178.793**	**185.238**	**(6.445)**	**(3,5)%**
Net credit risk losses/reversals	(8.169)	(8.589)	420	(4,9)%
Net profit (loss) from financial activities	**170.624**	**176.649**	**(6.025)**	**(3,4)%**
Operating costs	**(97.538)**	**(102.120)**	**4.582**	**(4,5)%**
Charges related to the banking system	(10)	(9)	(1)	11,1%
Net allocations to provisions for risks and charges	137	(2.149)	2.286	n.s.
Non-recurring expenses and income	(4.424)	(40)	(4.384)	n.s.
Pre-tax profit (loss) for the period from continuing operations	**68.789**	**72.331**	**(3.542)**	**(4,9)%**
Income taxes for the period relating to continuing operations	(21.098)	(24.701)	3.603	(14,6)%
Profit (loss) for the period	**47.691**	**47.630**	**61**	**0,1%**
(Profit) loss for the period attributable to non-controlling interests	(407)	(454)	47	(10,4)%
Profit (loss) for the period attributable to the Parent Company	**47.284**	**47.176**	**108**	**0,2%**

CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	31.03.2025	31.03.2024
Profit (loss) for the period	**47.691**	**47.630**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	2.027	(478)
Other comprehensive income, net of taxes, to be reclassified to profit or loss	2.394	(314)
Consolidated comprehensive income	**52.112**	**46.838**
Consolidated comprehensive income attributable to non-controlling interests	(407)	(456)
Consolidated comprehensive income attributable to the Parent Company	**51.705**	**46.382**

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

Results by operating segments

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT	TOTAL CONS. GROUP TOTAL
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*			
Other financial assets mandatorily measured at fair value through profit or loss							
Amounts at 31.03.2025	163.603	*958*	-	*162.645*	36.500	57.552	**257.655**
Amounts at 31.12.2024	143.933	*975*	-	*142.958*	36.293	56.806	**237.032**
% Change	13,7%	*(1,7)%*	-	*13,8%*	0,6%	1,3%	**8,7%**
Financial assets measured at fair value through other comprehensive income							
Amounts at 31.03.2025	873	-	-	*873*	-	900.804	**901.677**
Amounts at 31.12.2024	993	-	-	*993*	-	700.837	**701.830**
% Change	(12,1)%	-	-	*(12,1)%*	-	28,5%	**28,5%**
Receivables due from customers [1]							
Amounts at 31.03.2025	6.732.523	*2.647.398*	*1.603.239*	*2.481.886*	1.520.463	2.298.778	**10.551.764**
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**
% Change	(3,6)%	*(8,7)%*	*(0,6)%*	*0,4%*	0,0%	(0,2)%	**(2,4)%**
Goodwill							
Amounts at 31.03.2025	-	-	-	-	38.020	-	**38.020**
Amounts at 31.12.2024	-	-	-	-	38.020	-	**38.020**
% Change	-	-	-	-	0,0%	-	**0,0%**
Other assets							
Amounts at 31.03.2025	146.251	*146.251*	-	-	-	232.156	**378.407**
Amounts at 31.12.2024	163.000	*163.000*	-	-	-	219.965	**382.965**
% Change	(10,3)%	*(10,3)%*	-	-	-	5,5%	**(1,2)%**

(1) In the Governance & Services and Non-Core Segment, at 31 March 2025, there are government securities amounting to 1.714,0 million Euro (1.579,0 million Euro at 31 December 2024).

RECLASSIFIED INCOME STATEMENT DATA AT 31.03.2025 (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	**55.676**	***26.814***	***12.992***	***15.870***	**77.127**	**(2.049)**	**130.754**
Net commission income	**21.622**	***14.362***	***3.070***	***4.190***	**(737)**	**(360)**	**20.525**
Other components of net banking income	12.615	*(17)*	-	*12.632*	4.179	10.720	27.514
Net banking income	**89.913**	***41.159***	***16.062***	***32.692***	**80.569**	**8.311**	**178.793**
Net credit risk losses/reversals	(11.703)	*(540)*	*(1.271)*	*(9.892)*	(5)	3.539	(8.169)
Net profit (loss) from financial activities	**78.210**	***40.619***	***14.791***	***22.800***	**80.564**	**11.850**	**170.624**
Operating costs	**(43.204)**	***(25.777)***	***(8.023)***	***(9.404)***	**(45.818)**	**(8.516)**	**(97.538)**
Charges related to the banking system	-	-	-	-	-	(10)	(10)
Net allocations to provisions for risks and charges	129	*333*	*79*	*(283)*	8	-	137
Non-recurring expenses and income	-	-	-	-	-	(4.424)	(4.424)
Pre-tax profit (loss) for the period from continuing operations	**35.135**	***15.175***	***6.847***	***13.113***	**34.754**	**(1.100)**	**68.789**
Income taxes for the period relating to continuing operations	(10.776)	*(4.654)*	*(2.100)*	*(4.022)*	(10.658)	336	(21.098)
Profit (loss) for the period	**24.359**	***10.521***	***4.747***	***9.091***	**24.096**	**(764)**	**47.691**
(Profit) loss for the period attributable to non-controlling interests	-	-	-	-	-	(407)	(407)
Profit (loss) for the period attributable to the Parent Company	**24.359**	***10.521***	***4.747***	***9.091***	**24.096**	**(1.171)**	**47.284**

SEGMENT KPIs (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT[1]
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	*of which: FACTORING AREA*	*of which: LEASING AREA*	*of which: CORPORATE BANKING & LENDING AREA*		
Credit cost [2]						
Amounts at 31.03.2025	0,68%	*0,08%*	*0,32%*	*1,60%*	n.a.	**(2,16)%**
Amounts at 31.12.2024	0,61%	*0,26%*	*0,29%*	*1,20%*	n.a.	**(0,41)%**
% Change	0,07%	*(0,18)%*	*0,03%*	*0,40%*	n.a.	**(1,75)%**
Net bad loans/Receivables due from customers						
Amounts at 31.03.2025	0,5%	*0,5%*	*0,0%*	*0,6%*	77,6%	**0,6%**
Amounts at 31.12.2024	0,4%	*0,4%*	*0,0%*	*0,7%*	77,9%	**0,2%**
% Change	0,1%	*0,1%*	*0,0%*	*(0,1)%*	(0,3)%	**0,4%**
Coverage ratio on gross bad loans						
Amounts at 31.03.2025	75,4%	*83,8%*	*94,1%*	*41,3%*	n.s.	**41,6%**
Amounts at 31.12.2024	74,0%	*83,3%*	*94,2%*	*47,2%*	n.s.	**53,1%**
% Change	1,4%	*0,5%*	*(0,1)%*	*(5,9)%*	n.s.	**(11,5)%**
Net non-performing exposures/Net receivables due from customers						
Amounts at 31.03.2025	3,0%	*3,1%*	*0,8%*	*4,4%*	n.s.	**1,6%**
Amounts at 31.12.2024	2,8%	*2,7%*	*0,8%*	*4,1%*	n.s.	**1,3%**
% Change	0,2%	*0,4%*	*0,0%*	*0,3%*	n.s.	**0,3%**
Gross non-performing exposures/Gross receivables due from customers						
Amounts at 31.03.2025	5,8%	*7,1%*	*2,2%*	*6,8%*	98,5%	**2,6%**
Amounts at 31.12.2024	5,3%	*5,9%*	*2,2%*	*6,6%*	98,4%	**2,0%**
% Change	0,5%	*1,2%*	*0,0%*	*0,2%*	0,1%	**0,6%**
RWA [3]						
Amounts at 31.03.2025	5.888.287	*2.751.578*	*1.212.371*	*1.924.338*	1.737.378	**1.037.388**
Amounts at 31.12.2024	5.769.725	*2.729.714*	*1.200.451*	*1.839.560*	1.733.692	**1.171.961**
% Change	2,1%	*0,8%*	*1,0%*	*4,6%*	0,2%	**(11,5)%**

(1) In the Governance & Services and Non-Core Segment, at 31 March 2025, there are government securities amounting to 1.714,0 million Euro (1.579,0 million Euro at 31 December 2024).
(2) This indicator is calculated comparing the "annualised" value of net credit risk losses/reversals at the end of the year over the annual average loans to customers (calculated quarterly).
(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 2025	YEAR 2024			
	Q1	Q4	Q3	Q2	Q1
Net interest income	**130.754**	**128.106**	**117.036**	**146.605**	**140.758**
Net commission income	**20.525**	**22.209**	**22.657**	**23.835**	**23.074**
Other components of net banking income	27.514	17.001	17.629	18.836	21.406
Net banking income	**178.793**	**167.316**	**157.322**	**189.276**	**185.238**
Net credit risk losses/reversals	(8.169)	(8.795)	(13.034)	(7.252)	(8.589)
Net profit (loss) from financial activities	**170.624**	**158.521**	**144.288**	**182.024**	**176.649**
Personnel expenses	(42.180)	(42.617)	(40.622)	(43.217)	(43.396)
Other administrative expenses	(57.295)	(69.975)	(53.376)	(62.246)	(61.941)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(6.445)	(6.257)	(6.199)	(5.646)	(5.174)
Other operating income/expenses	8.382	11.597	6.629	7.133	8.391
Operating costs	**(97.538)**	**(107.252)**	**(93.568)**	**(103.976)**	**(102.120)**
Charges related to the banking system	(10)	(15)	(25)	(8.087)	(9)
Net allocations to provisions for risks and charges	137	87	141	1.443	(2.149)
Non-recurring expenses and income	(4.424)	(54)	(236)	(280)	(40)
Pre-tax profit (loss) for the period from continuing operations	**68.789**	**51.287**	**50.600**	**71.124**	**72.331**
Income taxes for the period relating to continuing operations	(21.098)	(15.898)	(17.280)	(24.289)	(24.701)
Profit (loss) for the period	**47.691**	**35.389**	**33.320**	**46.835**	**47.630**
(Profit) loss for the period attributable to non-controlling interests	(407)	(379)	(366)	(397)	(454)
Profit (loss) for the period attributable to the Parent Company	**47.284**	**35.010**	**32.954**	**46.438**	**47.176**

Contribution of operating Segments to Group results

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

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

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

- Commercial & Corporate Banking Segment, that represents the Group's commercial offer dedicated to businesses and also includes personal loans with the assignment of one-fifth of salary or pension. The Segment consists of the Factoring, Leasing and Corporate Banking & Lending Business Areas;
- Npl Segment, dedicated to non-recourse factoring and managing distressed loans, servicing and managing non-performing, secured loans. This Segment includes the income contribution from the former Revalea S.p.A., a company acquired in the fourth quarter of 2023 and then merged into Ifis Npl Investing S.p.A. in 2024;
- 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 division dedicated to supporting companies and private equity funds in structuring financing, both bilateral and pooled;
  - Equity Investments, a sector dedicated to investments in non-financial companies and in units of intermediaries;
  - Lending, a division dedicated to the Group's medium/long-term operations, focussed on supporting the business operating cycle and the disbursement of consumer credit in the form of salary- or pension-backed loans.

Below are the segment results at 31 March 2025.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	**55.676**	**60.409**	**(4.733)**	**(7,8)%**
Net commission income	**21.622**	**24.310**	**(2.688)**	**(11,1)%**
Other components of net banking income	12.615	4.550	8.065	177,3%
Net banking income	**89.913**	**89.269**	**644**	**0,7%**
Net credit risk losses/reversals	(11.703)	(10.166)	(1.537)	15,1%
Net profit (loss) from financial activities	**78.210**	**79.103**	**(893)**	**(1,1)%**
Operating costs	**(43.204)**	**(43.957)**	**753**	**(1,7)%**
Net allocations to provisions for risks and charges	129	(782)	911	n.s.
Pre-tax profit from continuing operations	**35.135**	**34.364**	**771**	**2,2%**
Income taxes for the period relating to continuing operations	(10.776)	(11.736)	960	(8,2)%
Profit for the period	**24.359**	**22.628**	**1.731**	**7,6%**

Net income of the Commercial & Corporate Banking Segment comes to 24,4 million Euro, up 1,7 million Euro compared to 31 March 2024, mainly due to the increase in net banking income (+0,6 million Euro) and lesser operating costs for 0,8 million Euro, partly offset by higher net value adjustments for 1,5 million Euro.

The Segment's net banking income amounts to 89,9 million Euro, basically in line with the same period of the previous year thanks to the positive performance of the Corporate Banking & Lending Area (+3,7 million Euro), which, while the Leasing Area remains substantially stable, actually offset the reduction in the contribution of the Factoring Area (-3,3 million Euro). Overall, against the reduction in net interest income (-4,7 million Euro) and net commissions (-2,7 million Euro), the other components of net banking income grew significantly by 8,1 million Euro, thanks mainly to the contribution of the Corporate Banking & Lending Area.

As at 31 March 2025, the Segment recorded net credit risk losses of 11,7 million Euro, up 15,1% compared to the same period of the previous year due to higher provisions allocated in the first quarter of 2025 for the deterioration of credit quality on some specific positions in the Corporate Banking & Lending Area.

Operating costs amount to 43,2 million Euro at 31 March 2025, showing a reduction of 1,7% compared with the same period of the previous year.

"Net allocations to provisions for risks and charges" at 31 March 2025 post net releases of 0,1 million Euro, a reduction compared with net allocations to provisions for risks and charges made of 0,8 million Euro at 31 March 2024.

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

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

COMMERCIAL & CORPORATE BANKING (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 31.03.2025						
Nominal amount	124.616	227.612	55.622	**407.850**	6.591.168	**6.999.018**
Losses	(93.910)	(103.815)	(5.210)	**(202.935)**	(63.560)	**(266.495)**
Carrying amount	30.706	123.797	50.412	**204.915**	6.527.608	**6.732.523**
Coverage ratio	*75,4%*	*45,6%*	*9,4%*	***49,8%***	*1,0%*	***3,8%***
Gross ratio	*1,8%*	*3,3%*	*0,8%*	***5,8%***	*94,2%*	***100,0%***
Net ratio	*0,5%*	*1,8%*	*0,7%*	***3,0%***	*97,0%*	***100,0%***
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%***

Net non-performing exposures in the Commercial & Corporate Banking Segment stand at 204,9 million Euro at 31 March 2025, up 11,1 million Euro on 31 December 2024 (193,8 million Euro). The trend is attributable to an increase in exposures classified as unlikely to pay in the amount of 13,2 million Euro (mainly with reference to the Corporate Banking & Lending Area and the Factoring Area).

The coverage ratio of the impaired portfolio is 49,8% at 31 March 2025, broadly in line with the figure at 31 December 2024.

The Commercial & Corporate Banking Segment includes loans that are mainly impaired (classified in the accounts as "POCI"), mainly referring to assets stemming from business combinations: the net value of these assets is 10,3 million Euro at 31 March 2025, as compared with the 8,7 million Euro recorded at 31 December 2024, of which 6,9 million Euro non-performing (5,7 million Euro at 31 December 2024).

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	
	31.03.2025	31.12.2024	ABSOLUTE	%
Credit cost (1)	0,68%	0,61%	n.a.	0,07%
Net impaired assets/ Net receivables due from customers	3,0%	2,8%	n.a.	0,2%
Gross impaired assets/ Gross receivables due from customers	5,8%	5,3%	n.a.	0,5%
RWA (2)	5.888.287	5.769.725	118.562	2,1%

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

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

Factoring Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	**26.814**	**28.128**	**(1.314)**	**(4,7)%**
Net commission income	**14.362**	**16.349**	**(1.987)**	**(12,2)%**
Other components of net banking income	(17)	8	(25)	n.s.
Net banking income	**41.159**	**44.485**	**(3.326)**	**(7,5)%**
Net credit risk losses/reversals	(540)	(2.192)	1.652	(75,4)%
Net profit (loss) from financial activities	**40.619**	**42.293**	**(1.674)**	**(4,0)%**
Operating costs	**(25.777)**	**(24.864)**	**(913)**	**3,7%**
Net allocations to provisions for risks and charges	333	(780)	1.113	n.s.
Pre-tax profit from continuing operations	**15.175**	**16.649**	**(1.474)**	**(8,9)%**
Income taxes for the period relating to continuing operations	(4.654)	(5.769)	1.115	(19,3)%
Profit for the period	**10.521**	**10.880**	**(359)**	**(3,3)%**

At 31 March 2025, the contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment comes to 41,2 million Euro, down 7,5% on the results of the same period of last year. This result is due to the lesser contribution of net interest income (-1,3 million Euro) and net commission income (-2,0 million Euro). Turnover for the first three months of 2025 amounts to 3,0 billion Euro, in line with the figure at 31 March 2024, while total loans amount to 3,3 billion Euro and are down by 0,1 billion Euro compared to the corresponding figures for the same period last year.

At 31 March 2025, net credit risk losses of 0,5 million Euro are down 1,7 million Euro compared to the figure at 31 March 2024.

Therefore, net profit from financial activities amounts to 40,6 million Euro (-4,0% on 31 March 2024).

The increase in operating costs of 0,9 million Euro compared to 31 March 2024 is mainly due to higher amortisation, following the putting into production in the first quarter of 2025 of investments made during 2024.

"Net allocations to provisions for risks and charges" at 31 March 2025 post net releases of 0,3 million Euro, a significant improvement compared with net allocations to provisions for risks and charges made of 0,8 million Euro at 31 March 2024. As mentioned previously, this improvement essentially relates to releases in the first three months of 2025 due to the successful resolution of existing disputes.

As regards the main equity aspects, at 31 March 2025 total net commitments for the Area amount to 2.647,4 million Euro, down 8,7% on the figure at 31 December 2024, mainly due to the decrease of net performing exposures (-256,0 million Euro), in line with the seasonal nature of the business.

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

FACTORING AREA (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 31.03.2025						
Nominal amount	87.209	81.031	28.124	**196.364**	2.581.795	**2.778.159**
Losses	(73.095)	(41.043)	(860)	**(114.998)**	(15.763)	**(130.761)**
Carrying amount	14.114	39.988	27.264	**81.366**	2.566.032	**2.647.398**
Coverage ratio	*83,8%*	*50,7%*	*3,1%*	***58,6%***	*0,6%*	***4,7%***
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%***

The Area's total net non-performing exposures amount to 81,4 million Euro, up 4,3% from the 31 December 2024 figure, mainly due to the increase in unlikely to pay and non-performing exposures. In overall terms, the coverage of impaired exposures increases from 56,5% to 58,6%, due to the increase in the proportion of bad loans to total non-performing loans.

KPIs	AMOUNTS		CHANGE	
	31.03.2025	**31.12.2024**	**ABSOLUTE**	**%**
Credit cost (1)	0,08%	0,26%	n.a.	(0,18)%
Net impaired assets/ Net receivables due from customers	3,1%	2,7%	n.a.	0,4%
Gross impaired assets/ Gross receivables due from customers	7,1%	5,9%	n.a.	1,2%
RWA (2)	2.751.578	2.729.714	21.864	0,8%

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

The credit cost decreases from 0,26% at 31 December 2024 to 0,08% at 31 March 2025 as a result of the aforementioned economic dynamics in the first quarter of 2025.

It should be noted that net non-performing exposures include a total of 29,4 million Euro in respect of the NHS, in line with 31 December 2024.

Leasing Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	**12.992**	**12.764**	**228**	**1,8%**
Net commission income	**3.070**	**3.069**	**1**	**0,0%**
Net banking income	**16.062**	**15.833**	**229**	**1,4%**
Net credit risk losses/reversals	(1.271)	(1.764)	493	(27,9)%
Net profit (loss) from financial activities	**14.791**	**14.069**	**722**	**5,1%**
Operating costs	**(8.023)**	**(8.792)**	**769**	**(8,7)%**
Net allocations to provisions for risks and charges	79	(56)	135	n.s.
Pre-tax profit from continuing operations	**6.847**	**5.221**	**1.626**	**31,1%**
Income taxes for the period relating to continuing operations	(2.100)	(1.783)	(317)	17,8%
Profit for the period	**4.747**	**3.438**	**1.309**	**38,1%**

Net banking income from the Leasing Area amounts to 16,1 million Euro, essentially in line with the figure at 31 March 2024 (+1,4%).

Net credit risk losses amount to 1,3 million Euro, down 0,5 million Euro compared to the figure at 31 March 2024.

Operating costs total 8,0 million Euro, showing a decrease of 0,8 million Euro compared with 31 March 2024, mainly due to lesser indirect tax and collection costs.

As at 31 March 2025, the Area's total net loans amount to 1.603,2 million Euro, a decrease of 9,7 million Euro (-0,6%) compared to the figure at 31 December 2024, mainly due to the decrease in net performing exposures (-9,8 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 31.03.2025						
Nominal amount	10.145	17.470	8.958	**36.573**	1.602.352	**1.638.925**
Losses	(9.551)	(11.151)	(2.458)	**(23.160)**	(12.526)	**(35.686)**
Carrying amount	594	6.319	6.500	**13.413**	1.589.826	**1.603.239**
Coverage ratio	*94,1%*	*63,8%*	*27,4%*	***63,3%***	*0,8%*	***2,2%***
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%***

Net non-performing exposures amount to 13,4 million Euro at 31 March 2025, broadly in line with December 2024, just like the coverage ratio of impaired assets (which goes from 63,2% to 63,3%). The coverage of performing loans remains stable compared to the 31 December 2024 figure of 0,8%.

KPIs	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Credit cost [1]	0,32%	0,29%	n.a.	0,03%
Net impaired assets/ Net receivables due from customers	0,8%	0,8%	n.a.	0,0%
Gross impaired assets/ Gross receivables due from customers	2,2%	2,2%	n.a.	0,0%
RWA [2]	1.212.371	1.200.451	11.920	1,0%

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

Corporate Banking & Lending Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	**15.870**	**19.517**	**(3.647)**	**(18,7)%**
Net commission income	**4.190**	**4.892**	**(702)**	**(14,3)%**
Other components of net banking income	12.632	4.542	8.090	178,1%
Net banking income	**32.692**	**28.951**	**3.741**	**12,9%**
Net credit risk losses/reversals	(9.892)	(6.210)	(3.682)	59,3%
Net profit (loss) from financial activities	**22.800**	**22.741**	**59**	**0,3%**
Operating costs	**(9.404)**	**(10.301)**	**897**	**(8,7)%**
Net allocations to provisions for risks and charges	(283)	54	(337)	n.s.
Pre-tax profit from continuing operations	**13.113**	**12.494**	**619**	**5,0%**
Income taxes for the period relating to continuing operations	(4.022)	(4.184)	162	(3,9)%
Profit for the period	**9.091**	**8.310**	**781**	**9,4%**

Net banking income of the Corporate Banking & Lending Area comes to 32,7 million Euro at 31 March 2025, up 3,7 million Euro on 31 March 2024 (+12,9%). The positive change is a result of the combined effect of the following factors:

- reduction in net interest income of 3,6 million Euro, due to the lesser contribution of the Corporate Banking unit of 1,6 million Euro and the lower contribution of the Lending division of approximately 2 million Euro;
- lower net commission income of 0,7 million Euro, mainly from the Corporate Banking unit;
- significant increase in the contribution of the other components of net banking income, amounting to 8,1 million Euro at 31 March 2025, mainly represented by the income and dividends received and the fair value measurement of securities in the Corporate Banking unit.

Net credit risk losses amount to 9,9 million Euro, up 3,7 million Euro compared to 31 March 2024. This increase is due to higher provisions set aside during the period for the deterioration of credit quality on certain specific positions.

The reduction in operating costs of 0,9 million Euro compared to 31 March 2024 is due to lower expenses related to ICT and the interbank network.

Period net allocations to provisions for risks and charges amount to 0,3 million Euro, an improvement compared with the net releases of 0,1 million Euro for the first three months of 2024.

As at 31 March 2025, the Area's total net receivables due from customers amount to 2.481,9 million Euro, in line with 31 December 2024.

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

CORPORATE BANKING & LENDING AREA (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 31.03.2025						
Nominal amount	27.262	129.111	18.540	**174.913**	2.407.021	**2.581.934**
Losses	(11.264)	(51.621)	(1.892)	**(64.777)**	(35.271)	**(100.048)**
Carrying amount	15.998	77.490	16.648	**110.136**	2.371.750	**2.481.886**
Coverage ratio	*41,3%*	*40,0%*	*10,2%*	***37,0%***	*1,5%*	***3,9%***
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%***

The amount of net non-performing exposures at 31 March 2025, 110,1 million Euro, shows an increase of 7,7 million Euro on the value at year-end 2024. The increase is mainly due to the increase in assets as unlikely to pay due to the deterioration of certain individually significant positions. The coverage of non-performing loans decreases from 39,3% in December 2024 to 37,0% in March 2025 due to the lesser incidence within the Area's impaired portfolio of positions classified as non-performing.

KPIs	AMOUNTS		CHANGE	
	31.03.2025	**31.12.2024**	**ABSOLUTE**	**%**
Credit cost (1)	1,60%	1,20%	n.a.	0,40%
Net impaired assets/ Net receivables due from customers	4,4%	4,1%	n.a.	0,3%
Gross impaired assets/ Gross receivables due from customers	6,8%	6,6%	n.a.	0,2%
RWA (2)	1.924.338	1.839.560	84.778	4,6%

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

Npl Segment

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

The table below shows the loans portfolio of the Npl Segment, by method of transformation and accounting criterion; the "interest on income statement" refers to the components of the net banking income deriving from the booking at amortised cost of the related loans portfolio; in particular, interest income is included from the amortised cost for 47,4 million Euro and other components of the net interest income from cash flow changes for 38,7 million Euro, as reported in the summary table of "Reclassified 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
Cost	323.616	41.806	12,9%	-	20.062	Acquisition cost
Non-judicial	10.862.125	507.827	4,7%	30.804	849.087	
of which: Collective (curves)	*10.258.698*	*197.181*	*1,9%*	*(1.305)*	*351.609*	*Cost = NPV of flows from model*
of which: Plans	*603.427*	*310.646*	*51,5%*	*32.109*	*497.478*	*Cost = NPV of flows from model*
Judicial	8.868.588	957.397	10,8%	55.241	1.919.274	
of which: Other positions undergoing judicial processing	*2.577.100*	*142.244*	*5,5%*	*-*	*362.091*	*Acquisition cost*
of which: Writs, Property Attachments, Garnishment Orders	*2.239.845*	*658.503*	*29,4%*	*47.502*	*1.331.890*	*Cost = NPV of flows from model*
of which: Secured and Corporate	*4.051.643*	*156.650*	*3,9%*	*7.739*	*225.293*	*Cost = NPV of flows from model*
Total	**20.054.329**	**1.507.030**	**7,5%**	**86.045**	**2.788.423**	

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 (41,8 million Euro at 31 March 2025), 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 “collective management” and at 31 March 2025 come to 197,2 million Euro as compared with 165,5 million Euro at 31 December 2024 (up 19,2%). Practices on which a realignment plan has been agreed and formalised come in at 310,6 million Euro at 31 March 2025;
- 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 142,2 million Euro at 31 March 2025; practices in phases of writ, attachment order and garnishment order are allocated to a specific basin, coming in at 658,5 million Euro. The judicial management basin include all “Secured and Corporate” positions of corporate banking origin or real estate, equal to 156,6 million Euro at 31 March 2025.

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

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	**77.127**	**73.902**	**3.225**	**4,4%**
Net commission income	**(737)**	**(334)**	**(403)**	**120,7%**
Other components of net banking income	4.179	735	3.444	468,6%
- of which: Gains (losses) on the disposal of financial assets	*4.773*	*116*	*4.657*	*n.s.*
Net banking income	**80.569**	**74.303**	**6.266**	**8,4%**
Net credit risk losses/reversals	(5)	75	(80)	n.s.
Net profit (loss) from financial activities	**80.564**	**74.378**	**6.186**	**8,3%**
Operating costs	**(45.818)**	**(50.204)**	**4.386**	**(8,7)%**
Net allocations to provisions for risks and charges	8	262	(254)	(96,9)%
Non-recurring expenses and income	-	(40)	40	(100,0)%
Pre-tax profit from continuing operations	**34.754**	**24.396**	**10.358**	**42,5%**
Income taxes for the period relating to continuing operations	(10.658)	(8.335)	(2.323)	27,9%
Profit for the period	**24.096**	**16.061**	**8.035**	**50,0%**

Net interest income, which comes to 77,1 million Euro (up 3,2 million Euro on the balance recorded for the same period of the previous year), consists of:

- interest income from amortised cost, i.e. the interest accruing at the original effective rate, which increases from 43,2 million Euro at 31 March 2024 to 47,4 million Euro at 31 March 2025, 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 1,3 million Euro at 31 March 2025, a reduction on the 1,8 million Euro recorded in the first quarter of 2024;
- other components of net interest income from change in cash flow, which change from 30,1 million Euro of 31 March 2024 to 38,7 million Euro at 31 March 2025, and reflect the change in expected cash flows according to the collections made in respect of forecasts. This item is made up of, on the one hand, out-of-court settlements totalling 12,5 million Euro, to which recovery plans contributed 21,3 million Euro, partly offset by the negative effect of curve models totalling 8,8 million Euro. On the other hand, are legal expenses of 26,1 million Euro, following actions for injunction, attachment and garnishment orders;
- interest expense of 10,3 million Euro, down 0,7 million Euro on the balance recorded for the same period of the previous year.

Net commissions represent a cost of 0,7 million Euro at 31 March 2025, a rise compared to the cost of 0,3 million Euro at 31 March 2024.

In the first quarter of 2025, disposals of Npl portfolios were realised, in line with the Group's policy, from which net gains on disposal amount to 4,8 million Euro, up 4,7 million Euro compared with 31 March 2024.

In view of the above, the Npl Segment's net banking income comes to a total of 80,6 million Euro, up 6,3 million Euro compared with 31 March 2024.

The Npl Segment's credit cost, which is solely related to the change in the allowance for impairment on securities and loans related to securitisation transactions with underlying Npls, is essentially zero at 31 March 2025.

Operating costs of 45,8 million Euro at 31 March 2025 are down 4,4 million Euro compared to 31 March 2024. This decrease is mainly due to lower collection expenses in Npls and operations related to the onboarding of the former Revalea, which impacted FY 2024.

As a consequence of the foregoing, period profit of the Npl Segment is 24,1 million Euro, up 8,0 million Euro on 31 March 2024.

Below is the breakdown of net loans by credit quality.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Net bad loans	1.180.249	1.184.378	(4.129)	(0,3)%
Net unlikely to pay	313.093	308.540	4.553	1,5%
Net non-performing past due exposures	3.763	3.837	(74)	(1,9)%
Total net non-performing exposures to customers (Stage 3)	**1.497.105**	**1.496.755**	**350**	**0,0%**
Total net performing exposures (Stages 1 and 2)	23.358	24.246	(888)	(3,7)%
- of which: proprietary loans acquired	*9.925*	*10.666*	*(741)*	*(6,9)%*
- of which: loans disbursed	*533*	*533*	*-*	*0,0%*
- of which: debt securities	*11.695*	*11.602*	*93*	*0,8%*
- of which: receivables related to servicer activities	*1.205*	*1.445*	*(240)*	*(16,6)%*
Total on-balance-sheet receivables due from customers	**1.520.463**	**1.521.001**	**(538)**	**0,0%**
- of which: owned receivables acquired measured at amortised cost	***1.507.030***	***1.507.421***	***(391)***	***0,0%***

As regards the Npl Segment loans, 1.507,0 million Euro are represented by receivables classified as POCI - Purchased or originated credit-impaired -, the category introduced by the accounting standard IFRS 9. These are loans that were non-performing at the date they were acquired or originated. These receivables represent the Segment's core business. Excluded from this classification are new disbursements of performing loans, debt securities measured at amortised cost, and receivables related to servicer activities on behalf of third parties.

KPIs	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Nominal amount of receivables managed	20.054.329	21.605.929	(1.551.600)	(7,2)%
RWA (1)	1.737.378	1.733.692	3.686	0,2%

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

Total Estimated Remaining Collections (ERC) amount to 2,8 billion Euro.

NPL SEGMENT NON-PERFORMING LOAN PORTFOLIO PERFORMANCE	31.03.2025	31.12.2024
Opening loan portfolio	**1.507.421**	**1.629.215**
Purchases (+)	20.068	18.032
Sales (-)	(10.673)	(49.588)
Gains (losses) on disposals (+/-)	4.773	16.068
Interest income from amortised cost (+)	47.431	185.126
Other components of interest from change in cash flow (+)	38.666	130.487
Collections (-)	(100.656)	(421.919)
Closing loan portfolio	**1.507.030**	**1.507.421**

Total purchases in the first three months of 2025 come to 20,1 million Euro, a significant increase on the 1,3 million Euro recorded at 31 March 2024. In the first quarter of 2025, sales of Npls were completed for a total price of 10,7 million Euro, which generated net profits of 4,8 million Euro.

At 31 March 2025, the portfolio managed by the Npl Segment includes 1.924.018 positions, for a nominal amount of 20,1 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)	FIRST THREE MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	**(2.049)**	**6.447**	**(8.496)**	**(131,8)%**
Net commission income	**(360)**	**(902)**	**542**	**(60,1)%**
Other components of net banking income	10.720	16.121	(5.401)	(33,5)%
Net banking income	**8.311**	**21.666**	**(13.355)**	**(61,6)%**
Net credit risk losses/reversals	3.539	1.502	2.037	135,6%
Net profit (loss) from financial activities	**11.850**	**23.168**	**(11.318)**	**(48,9)%**
Operating costs	**(8.516)**	**(7.959)**	**(557)**	**7,0%**
Charges related to the banking system	(10)	(9)	(1)	11,1%
Net allocations to provisions for risks and charges	-	(1.629)	1.629	(100,0)%
Non-recurring expenses and income	(4.424)	-	(4.424)	n.a.
Pre-tax profit from continuing operations	**(1.100)**	**13.571**	**(14.671)**	**(108,1)%**
Income taxes for the period relating to continuing operations	336	(4.630)	4.966	(107,3)%
Profit (loss) for the period	**(764)**	**8.941**	**(9.705)**	**(108,5)%**
(Profit) loss for the period attributable to non-controlling interests	(407)	(454)	47	(10,4)%
Profit (loss) for the period attributable to the Parent Company	**(1.171)**	**8.487**	**(9.658)**	**(113,8)%**

The Segment's net banking income amounts to 8,3 million Euro, down 13,4 million Euro compared to 31 March 2024 and is determined in particular by the following dynamics:

- net interest income is negative for 2,0 million Euro, decreasing by 8,5 million Euro compared with 31 March 2024. The negative change is due for 2,4 million Euro to lesser net interest income in the run-off portfolio of the Non-Core unit, while the residual change of 6,1 million Euro is mainly due to the lower margins on the treasury side;
- other components of net banking income have decreased by 5,4 million Euro. The negative change is due for 6,9 million Euro to the fair value measurement of the financial assets of the Non-Core unit, which in the first quarter of 2024 had recorded a divestment of an equity financial instrument with a capital gain of approximately 6 million Euro. The overall negative effect is only partially offset by higher trading profits of 1,5 million Euro on the Group's proprietary portfolio.

In terms of funding, the “Rendimax deposit account” product continues to constitute the Group’s main source of finance, with a comprehensive cost of approximately 32,7 million Euro, 1,8 million Euro higher than the same period of last year. The increase stems from two opposing effects: the increase in average rates offered from 2,8% in the first quarter of 2024 to 3,1% in the first quarter of 2025, and the reduction in average assets under management from 4.502 million Euro in the first quarter of 2024 to 4.259 million Euro at 31 March 2025.

At 31 March 2025, the carrying amount of the bonds issued by Banca Ifis is 1.490 million Euro, in line with the figure at 31 December 2024 (1.507,3 million Euro). Interest expenses accrued in the first quarter on total issues amount to 23,6 million Euro.

Funding through securitisation, amounting to 1.577,2 million Euro at 31 March 2025, is down by 68 million Euro compared with the figure at 31 December 2024 and consists of:

- securities issued by the SPV ABCP Programme for 930,4 million Euro relating to the senior tranche;
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 246,6 million Euro relating to the senior tranche.

Accrued interest expense went from 22,4 million Euro at 31 March 2024 to 14,9 million Euro at 31 March 2025 due to the change in the market curves to which they are index-linked and the amortisation of the securities issued by Emma SPV.

In all, the average funding cost at 31 March 2025 stands at 3,54%, down from the figure of 3,86% for the average of the first quarter of 2024.

With regard to the credit cost, the figure for 31 March 2025 shows net losses of 3,5 million Euro, a rise of 2,0 million Euro compared to 31 March 2024, essentially due to the positive restructuring of an individually significant position.

Operating costs come to 8,5 million Euro, up 0,6 million Euro on 31 March 2024, linked to ICT and communication expenses.

The item “Charges related to the banking system” includes the costs incurred during the period for the operation of the banking system's guarantee funds and comes to 10 thousand Euro, in line with the figure at 31 March 2024.

The item “Net allocations to provisions for risks and charges” has a zero balance in the first three months of 2025, showing an improvement compared to the net allocations of 1,6 million Euro at 31 March 2024 (which mainly related to new allocations in the period to guarantee transferred positions).

The item “Non-recurring expenses and income” shows a net negative balance of 4,4 million Euro at 31 March 2025 and refers to non-recurring operating costs pertaining to the first quarter of 2025 mainly related to the voluntary takeover bid on all the shares of illimity Bank, submitted by Banca Ifis in January 2025 (for more details see the section “Significant events occurred in the period” of the Notes to the Financial Statements).

As a result of the above trends, the period result of the Governance & Services and Non-Core Segment amounts to a loss of 0,8 million Euro, down from the profit of 8,9 million Euro (-9,7 million Euro) at 31 March 2024. Excluding the profit attributable to minority interests, the Segment's contribution to the profit attributable to the Parent Company amounts to a negative 1,2 million Euro.

As regards equity figures, at 31 March 2025, total net receivables for the Segment amount to 2.298,8 million Euro, down 4,6 million Euro on the figure at 31 December 2024 (2.303,4 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: 5,8 million Euro at 31 March 2025, up 0,2 million Euro on the figure recorded at 31 December 2024;
- net performing exposures: 11,1 million Euro at 31 March 2025, essentially in line with 31 December 2024.

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

GOVERNANCE & SERVICES AND NON-CORE SEGMENT (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS (1)
POSITION AT 31.03.2025						
Nominal amount	22.284	30.313	6.756	**59.353**	2.265.257	**2.324.610**
Losses	(9.269)	(10.507)	(2.159)	**(21.935)**	(3.897)	**(25.832)**
Carrying amount	13.015	19.806	4.597	**37.418**	2.261.360	**2.298.778**
Coverage ratio	*41,6%*	*34,7%*	*32,0%*	***37,0%***	*0,2%*	***1,1%***
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%***

(1) In the Governance & Services and Non-Core Segment, at 31 March 2025, there are government securities amounting to 1.714,0 million Euro (1.579,0 million Euro at 31 December 2024).

The coverage of non-performing exposures in the Segment is affected by receivables whose gross values already take into account the estimate of expected losses. The coverage of the portfolio as a whole at 31 March 2025 goes from 0,9% at 31 December 2024 to 1,1% at 31 March 2025, and is mainly related to the Non-Core portfolio, which has a slightly higher coverage due to the increase in non-performing loans.

Net non-performing loans in the Governance & Services and Non-Core Segment increase by 29,0% compared to the December 2024 figure, mainly due to an increase in non-performing positions. Performing loans are substantially in line with the balance of the previous year (with government securities going from 1.579,0 million Euro at 31 December 2024 to 1.714,0 million Euro at end March 2025).

The coverage of non-performing loans, influenced by the aforementioned POCI loans, is 37,0% at 31 March 2025, in line with 31 December 2024.

Information on international tensions

This section aims to provide a specific disclosure on the impacts generated by international tensions, above all with reference to the Middle East 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.

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 "2025 Report on Remuneration Policy and Remuneration Paid", drafted pursuant to Article 123 ter of the TUF, where the remuneration policy valid for FY 2025 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 2024, Banca Ifis held 1.238.886 treasury shares recognised at a market value of 21,0 million Euro and a nominal amount of 1.238.886 Euro.

During the period, no transactions were carried out on treasury shares, hence the stock at the end of the period was still 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 Connected Subjects" of the corporate website www.bancaifis.it.

During the first quarter of 2025, no significant transactions with related parties were undertaken outside the scope of the Consolidated Interim Report.

Atypical or unusual transactions

During the first three months of 2025, the Banca Ifis Group did not carry out atypical or unusual transactions as defined by Consob Communication No. 6064293 of 28 July 2006.

The Bank's offices

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

Human resources

At 31 March 2025, the Banca Ifis Group had 2.025 employees (2.013 at 31 December 2024). Below is a breakdown of the workforce by classification level.

GROUP EMPLOYEES BY CLASSIFICATION LEVEL	31.03.2025		31.12.2024		CHANGES	
	Number	%	Number	%	Number	%
Senior managers	98	4,8%	99	4,9%	(1)	(1,0)%
Middle managers	655	32,3%	653	32,4%	2	0,3%
Clerical staff	1.272	62,8%	1.261	62,6%	11	0,9%
Total Group employees	**2.025**	**100,0%**	**2.013**	**100,0%**	**12**	**0,6%**

Research and development activities

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

Reclassified Consolidated Financial Statements

Banca Ifis

Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	31.03.2025	31.12.2024
Cash and cash equivalents	385.660	505.016
Financial assets held for trading	14.191	12.069
Financial assets mandatorily measured at fair value through profit or loss	257.655	237.032
Financial assets measured at fair value through other comprehensive income	901.677	701.830
Receivables due from banks measured at amortised cost	589.491	703.763
Receivables due from customers measured at amortised cost	10.551.764	10.810.018
Hedging derivatives	12.510	7.404
Equity investments	24	24
Property, plant and equipment	185.565	166.665
Intangible assets	87.998	85.488
of which:		
- goodwill	*38.020*	*38.020*
Tax assets:	214.399	213.464
a) current	*42.208*	*42.033*
b) deferred	*172.191*	*171.431*
Other assets	378.407	382.965
Total assets	**13.579.341**	**13.825.738**

LIABILITIES AND EQUITY (in thousands of Euro)	**31.03.2025**	**31.12.2024**
Payables due to banks	1.791.493	1.443.250
Payables due to customers	6.372.267	7.001.763
Debt securities issued	3.067.443	3.152.737
Financial liabilities held for trading	13.479	13.765
Hedging derivatives	15.654	14.868
Tax liabilities:	60.226	51.924
a) current	*30.417*	*23.345*
b) deferred	*29.809*	*28.579*
Other liabilities	400.532	339.377
Post-employment benefits	7.305	7.569
Provisions for risks and charges	50.436	52.339
Valuation reserves	(23.822)	(28.144)
Reserves	1.705.654	1.543.729
Interim dividends (-)	(63.084)	(63.084)
Share premiums	85.391	85.391
Share capital	53.811	53.811
Treasury shares (-)	(20.971)	(20.971)
Equity attributable to non-controlling interests (+/-)	16.243	15.836
Profit (loss) for the period (+/-)	47.284	161.578
Total liabilities and equity	**13.579.341**	**13.825.738**

Consolidated Income Statement

ITEMS OF THE INCOME STATEMENT (in thousands of Euro)	31.03.2025	31.03.2024
Net interest income	**130.754**	**140.758**
Net commission income	**20.525**	**23.074**
Other components of net banking income	27.514	21.406
Net banking income	**178.793**	**185.238**
Net credit risk losses/reversals	(8.169)	(8.589)
Net profit (loss) from financial activities	**170.624**	**176.649**
Administrative expenses:	(99.475)	(105.337)
a) personnel expenses	*(42.180)*	*(43.396)*
b) other administrative expenses	*(57.295)*	*(61.941)*
Net impairment losses/reversals on property, plant and equipment and intangible assets	(6.445)	(5.174)
Other operating income/expenses	8.382	8.391
Operating costs	**(97.538)**	**(102.120)**
Charges related to the banking system	(10)	(9)
Net allocations to provisions for risks and charges	137	(2.149)
Non-recurring expenses and income	(4.424)	(40)
Pre-tax profit (loss) for the period from continuing operations	**68.789**	**72.331**
Income taxes for the period relating to continuing operations	(21.098)	(24.701)
Profit (loss) for the period	**47.691**	**47.630**
(Profit) loss for the period attributable to non-controlling interests	(407)	(454)
Profit (loss) for the period attributable to the Parent Company	**47.284**	**47.176**

Consolidated Statement of Comprehensive Income

CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	31.03.2025	31.03.2024
Profit (loss) for the period	**47.691**	**47.630**
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	**2.027**	**(478)**
Equity securities measured at fair value through other comprehensive income	1.630	(706)
Hedging of equity securities measured at fair value through other comprehensive income	294	72
Defined benefit plans	103	156
Other comprehensive income, net of taxes, to be reclassified to profit or loss	**2.394**	**(314)**
Exchange differences	1.061	297
Financial assets (other than equity securities) measured at fair value through other comprehensive income	1.333	(611)
Total other comprehensive income, net of taxes	**4.421**	**(792)**
Comprehensive Income	**52.112**	**46.838**
Total consolidated comprehensive income attributable to non-controlling interests	(407)	(456)
Total consolidated comprehensive income attributable to the Parent Company	**51.705**	**46.382**

Notes

Banca Ifis

Accounting policies

Statement of compliance with IFRS

This Consolidated Interim Report at 31 March 2025 of the Banca Ifis Group was prepared in accordance with Borsa Italiana's Rules for companies listed on the STAR segment (article 2.2.3 paragraph 3), which require publishing an interim report within 45 days of the end of each quarter and considering Borsa Italiana's notice no. 7587 of 21 April 2016. Therefore, in accordance with said notice, concerning the contents of the Consolidated Interim Report, the Group made reference to the pre-existing paragraph 5 of article 154-ter of Italian Legislative Decree No. 58, dated 24 February 1998.

The Consolidated Interim Report at 31 March 2025 does not include all the information required for the preparation of the annual consolidated financial statements in accordance with IFRS accounting standards. For this reason, it is necessary to read the Consolidated Interim Report together with the 2024 Consolidated Financial Statements and Report. The preparation criteria, the valuation and consolidation criteria and the accounting standards adopted in the preparation of this Consolidated Interim Report comply with the accounting standards adopted in the preparation of the 2024 Consolidated Financial Statements and Report, with the exception of the adoption of the new or amended accounting standards issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as set out below.

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

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

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

The recognition, measurement and derecognition criteria for assets and liabilities, and the procedures for recognising revenues and costs, adopted in the Consolidated Interim Report at 31 March 2025 have remained substantially unchanged from those adopted for the preparation of the 2024 Consolidated Financial Statements of the Banca Ifis Group, to which reference is made.

Information on the business as a going concern

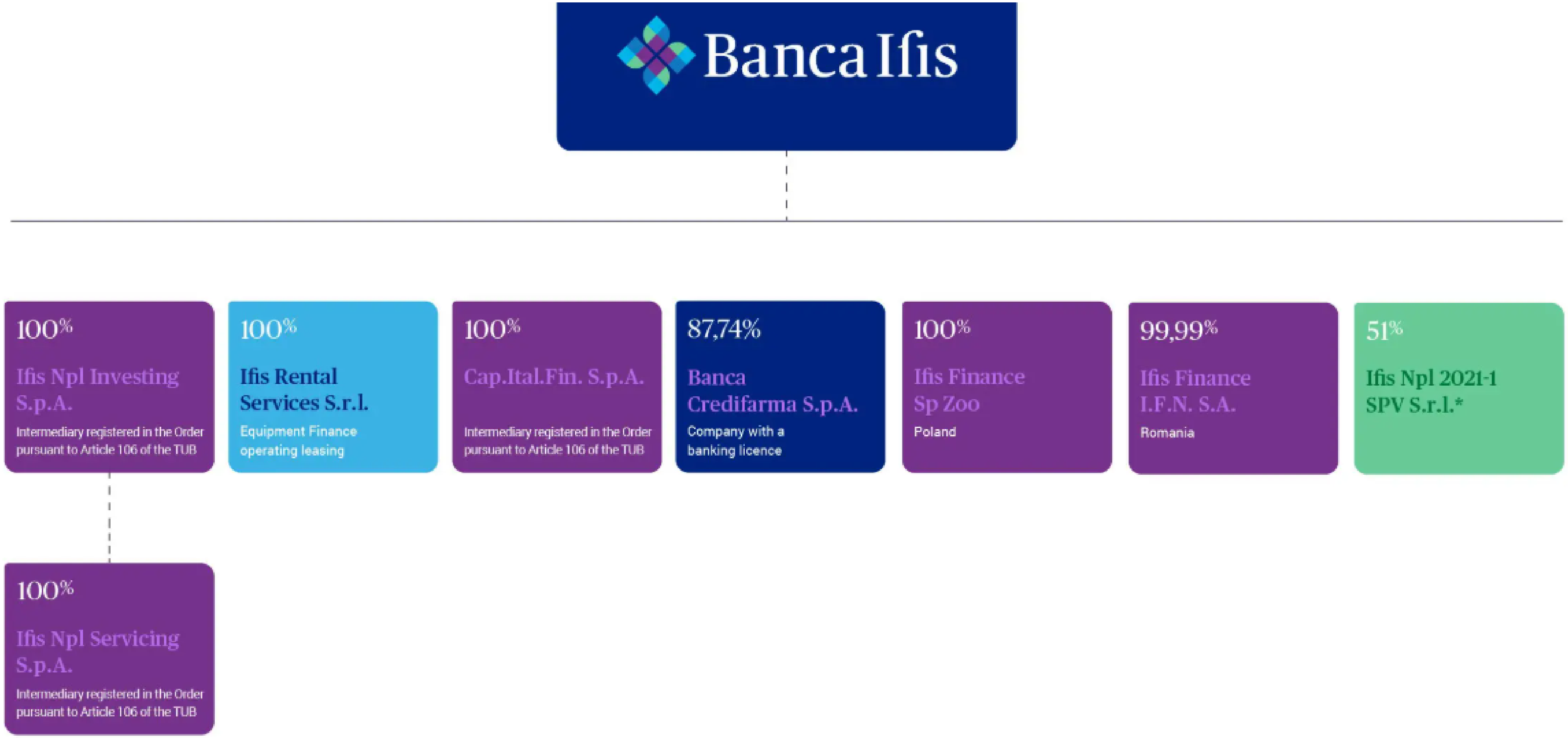
The Bank of Italy, Consob and Isvap, with document No. 2 issued on 6 February 2009 ("Disclosure in financial reports on the going concern assumption, financial risks, asset impairment tests and uncertainties in the use of estimates"), together with the subsequent document No. 4 of 4 March 2010, require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

Unlike in the past, present conditions on financial markets and in the real economy, together with the 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 Interim Report at 31 March 2025 has been prepared on a going concern basis. For more details on the analyses conducted with reference to international tensions, please refer to the specific section of the Group's Interim Report on Operations entitled “Information on international tensions”.

Consolidation scope and methods

The Consolidated Interim Report of the Banca Ifis Group at 31 March 2025 has been drawn up on the basis of the accounts at 31 March 2025 prepared by the directors of the companies included in the consolidation scope on the basis of homogeneous accounting standards.



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

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

Equity investments in exclusively controlled companies

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

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

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

With regard to controlled companies, classed as such on the basis of that explained below and included in the scope of consolidation as at 31 March 2025, there were no changes compared to the situation at the end of 2024.

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.

Significant judgements and assumptions in determining the scope of consolidation

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

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

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

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

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

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

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

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

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

More specifically, the structured entities that required consolidation for the purposes of the Consolidated Interim Report at 31 March 2025 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.

The profit (loss) for the period and each of the other components of comprehensive income are attributed to the shareholders of the parent company and minority interests, even if this implies that the minority interests have a negative balance. When necessary, appropriate adjustments are made to the accounts of the subsidiaries, in order to ensure compliance with the Group's accounting standards. All 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 accounts, 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 accounts 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 Interim Report from the date control is acquired. The costs, revenues, other comprehensive income and cash flows of a transferred subsidiary are included in the Consolidated Interim Report 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 March 2025, the companies subject to significant influence are Justlex Italia S.T.A.P.A. and Redacta S.T.A.a.r.l. with a shareholding of 20% and 33% respectively.

Risks and uncertainties related to estimates

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

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

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

- determination of the fair value of receivables and financial instruments not quoted in active markets;
- measurement of 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 the Consolidated financial statements at 31 December 2024.

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 - "Information on risks and related hedging policies" of the Consolidated financial statements at 31 December 2024.

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

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

For financial assets for which no objective evidence of loss has been individually identified, i.e. for unimpaired ("performing") exposures, the impairment model involves the need to identify whether or not there has been a significant deterioration since the date of initial recognition of the exposure and the allocation to the three stages of credit risk under IFRS 9 of loans and debt securities classified as Financial assets measured at amortised cost and as Financial assets measured 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 the Consolidated financial statements at 31 December 2024.

Estimate of provisions for risks and charges

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

Specifically, the Group recognises a liability when:

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

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

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

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

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

The provisions for risks and charges on commitments and guarantees granted include the provisions for credit risk set aside for loan commitments and the other guarantees granted that fall within the scope of the impairment rules in IFRS 9. As a general rule, in this case the Bank adopts the same methods for allocating items to three 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 March 2025, goodwill amounts to 38,0 million Euro (value unchanged compared with 31 December 2024) and is fully allocated to the Cash Generating Unit (CGU) “Npl Segment”.

With reference to the valuation at 31 March 2025 concerning the presence of any trigger events, which would call for impairment testing, the analysis did not reveal any such trigger events.

With regard to the annual impairment test, the results of the test conducted on 31 December 2024 led to the confirmation of the recoverability of the amount carried in the consolidated financial statements at that date.

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 the Consolidated financial statements at 31 December 2024.

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

Assets recognised 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 March 2025 is 173,0 million Euro, including the 85,7 million Euro portion attributable to Law 214/2011 (equal to 49,5% 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 in accordance with the envisaged terms and conditions.

On the basis of the valuation of the residual amount, note that the portion referring to prior tax losses and ACE surpluses, totalling 39,3 million Euro (or 22,72% of the total DTA) should be fully recovered from 2025 to 2032 (of which approximately 31 million Euro by 2029). The remaining 48,0 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.

Group financials and income results

Reclassified Statement of financial positions items

RECLASSIFIED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Cash and cash equivalents	385.660	505.016	(119.356)	(23,6)%
Financial assets mandatorily measured at fair value through profit or loss	257.655	237.032	20.623	8,7%
Financial assets measured at fair value through other comprehensive income	901.677	701.830	199.847	28,5%
Receivables due from banks measured at amortised cost	589.491	703.763	(114.272)	(16,2)%
Receivables due from customers measured at amortised cost	10.551.764	10.810.018	(258.254)	(2,4)%
Property, plant and equipment and intangible assets	273.563	252.153	21.410	8,5%
Tax assets	214.399	213.464	935	0,4%
Other assets	405.132	402.462	2.670	0,7%
Total assets	**13.579.341**	**13.825.738**	**(246.397)**	**(1,8)%**
Payables due to banks measured at amortised cost	1.791.493	1.443.250	348.243	24,1%
Payables due to customers measured at amortised cost	6.372.267	7.001.763	(629.496)	(9,0)%
Debt securities issued	3.067.443	3.152.737	(85.294)	(2,7)%
Tax liabilities	60.226	51.924	8.302	16,0%
Provisions for risks and charges	50.436	52.339	(1.903)	(3,6)%
Other liabilities	436.970	375.579	61.391	16,3%
Consolidated equity	1.800.506	1.748.146	52.360	3,0%
Total liabilities and equity	**13.579.341**	**13.825.738**	**(246.397)**	**(1,8)%**

Cash and cash equivalents

Cash and cash equivalents include sight bank accounts and amount to 385,7 million Euro at 31 March 2025. The decrease compared to the figure of 505,0 million Euro at the end of 2024 is mainly related to the decrease in overnight deposits with the Bank of Italy (-130,0 million Euro). The general trend of the item during the first quarter of 2025 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 257,7 million Euro at 31 March 2025. This item consists of loans and debt securities that did not pass the SPPI test, equity securities from minority shares and UCITS units.

Below is the breakdown of this line item.

FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Debt securities	61.945	69.042	(7.097)	(10,3)%
Equity securities	80.109	68.725	11.384	16,6%
UCITS units	114.513	98.058	16.455	16,8%
Loans	1.088	1.207	(119)	(9,9)%
Total	**257.655**	**237.032**	**20.623**	**8,7%**

In detail, the increase of 8,7% compared to 31 December 2024 can be broken down as follows:

- the 7,1 million Euro (-10,3%) decrease in debt securities is the result of the 6,7 million Euro negative net effect of new subscriptions and redemption trend and collections for the period and 0,4 million Euro net negative fair value changes;
- the 11,4 million Euro increase (+16,6%) in equity securities is mainly due to the fair value changes during the period (+5,3 million Euro) and the subscription of new securities (+6,1 million Euro);
- the period increase in the balance of UCITS units (+16,5 million Euro, +16,8%), is recorded following the growth recorded in fair value measurements (+6,5 million Euro) and the positive contribution of net new subscriptions, net of redemptions and collections, of 9,9 million Euro;
- the decrease in the carrying amount of loans compared to 31 December 2024 (-9,9%), mainly as a result of period fair value measurements for a total of -0,1 million Euro.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income amount to 901,7 million Euro at 31 March 2025, up 28,5% from December 2024. They include debt securities characterised by a Held to Collect & Sell (HTC&S) business model, that have passed the SPPI test and equity securities for which the Group has exercised the OCI Option envisaged by IFRS 9.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Debt securities	708.489	544.936	163.553	30,0%
of which: government securities	*640.230*	*455.312*	*184.918*	*40,6%*
Equity securities	193.188	156.894	36.294	23,1%
Total	**901.677**	**701.830**	**199.847**	**28,5%**

Debt securities owned measured at fair value through other comprehensive income increase by 163,6 million Euro (+30,0%) compared to the balance at 31 December 2024, mainly due to the effect of new investments during the period (+204,6 million Euro, of which 204,1 million Euro related to government bonds), only partially offset by period disposals (-33,7 million Euro, of which -11,7 million Euro related to government bonds) and the decrease in fair value measurements (-6,9 million Euro, essentially due to government securities). The related associated net negative fair value reserve amounts to 15,3 million Euro at 31 March 2025, of which 14,7 million Euro associated with Government securities.

This item also includes equity securities attributable to non-controlling interests, which amount to 193,2 million Euro at 31 March 2025, up 23,1% compared to 31 December 2024, mainly due to investments made in the period (+48,3 million Euro) and the increase in fair value amounts recorded during the first quarter of 2025 (+6,2 million Euro), only partly offset by the disposals realised in the period (-18,2 million Euro). The net fair value reserve associated with this portfolio at 31 March 2025 shows a negative value of 2,8 million Euro, significantly better than the negative figure posted at the end of 2024, which was 7,7 million Euro.

Receivables due from banks measured at amortised cost

Total receivables due from banks measured at amortised cost amount to 589,5 million Euro at 31 March 2025, down on the figure booked at 31 December 2024 (703,8 million Euro). The change in the item is mainly attributable to the 126,0 million Euro reduction in debt securities of banking issuers with a "Held to Collect (HTC)" business model and which passed the SPPI Test. These securities at 31 March 2025 have a carrying amount of 430,0 million Euro, a reduction compared to the figure at December 2024 (-22,7%, equal to -126,0 million Euro), insofar as the effect of new bank bond subscriptions during the period (+33,0 million Euro) was more than offset by that of disposals made in the first quarter of 2025, within the limits envisaged by the Group policy (-156,0 million Euro).

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 10.551,8 million Euro, a slight decline on the 31 December 2024 figure of 10.810,0 million Euro. The item includes debt securities for 2,1 billion Euro (1,9 billion Euro at 31 December 2024, +5,7%), of which government securities for 1,7 billion Euro (+8,6% compared with 31 December 2024). In the absence of the debt securities component, receivables due from customers amount to 8.491,6 million Euro, down 4,2% compared to the December 2024 figure (8.861,4 million Euro).

The main dynamics by segment are shown below:

- The Commercial & Corporate Banking Segment stands at 6.732,5 million Euro compared with 6.985,6 million Euro at December 2024 (-3,6%). The trend shows a decrease in the Factoring Area (-252,7 million Euro, -8,7%), while the other two Areas of the Segment remained substantially stable;
- receivables due from customers in the Npl Segment amount to 1.520,5 million Euro, in line with 31 December 2024;
- the contribution of the Governance & Services and Non-Core Segment comes to 2.298,8 million Euro, broadly in line with the end-of-2024 figure.

RECEIVABLES DUE FROM CUSTOMERS BREAKDOWN BY SEGMENT (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Commercial & Corporate Banking Segment	6.732.523	6.985.624	(253.101)	(3,6)%
- of which non-performing	*204.915*	*193.814*	*11.101*	*5,7%*
Factoring Area	2.647.398	2.900.077	(252.679)	(8,7)%
- of which non-performing	*81.366*	*78.026*	*3.340*	*4,3%*
Leasing Area	1.603.239	1.612.971	(9.732)	(0,6)%
- of which non-performing	*13.413*	*13.311*	*102*	*0,8%*
Corporate Banking & Lending Area	2.481.886	2.472.576	9.310	0,4%
- of which non-performing	*110.136*	*102.477*	*7.659*	*7,5%*
Npl Segment	1.520.463	1.521.001	(538)	(0,0)%
- of which non-performing	*1.497.105*	*1.496.755*	*350*	*0,0%*
Governance & Services and Non-Core Segment(1)	2.298.778	2.303.393	(4.615)	(0,2)%
- of which non-performing	*37.418*	*29.002*	*8.416*	*29,0%*
Total receivables due from customers	**10.551.764**	**10.810.018**	**(258.254)**	**(2,4)%**
- of which non-performing	***1.739.438***	***1.719.571***	***19.867***	***1,2%***

(1) In the Governance & Services and Non-Core Segment, at 31 March 2025, there are government securities amounting to 1.714,0 million Euro (1.579,0 million Euro at 31 December 2024).

Total net non-performing exposures, which are significantly affected by the receivables of the Npl Segment, amount to 1.739,4 million Euro at 31 March 2025, compared to 1.719,6 million Euro at 31 December 2024 (+1,2%).

Net of this item relative to the Npl Segment, net non-performing loans come to 242,3 million Euro, an increase on the 222,8 million Euro recorded at 31 December 2024, mainly due to the contribution made by the Governance & Services and Non-Core Segment of the Corporate Banking & Lending and Factoring Areas.

The following table shows the Banca Ifis Group's gross and net Npe ratios for its lending to customers, which are calculated excluding loans in the Npl Segment representing the operations of that business and government securities measured at amortised cost.

KPIs	AMOUNTS		CHANGE
	31.03.2025	31.12.2024	%
Net Npe ratio	3,3%	2,9%	0,4%
Gross Npe ratio	6,1%	5,4%	0,7%

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

Intangible assets and property, plant and equipment

Intangible assets come to 88,0 million Euro, up 2,9% from 85,5 million Euro at 31 December 2024.

This item refers to software and intangible assets generated in-house in the total amount of 50,0 million Euro, up from the balance of 47,5 million Euro at 31 December 2024 and 38,0 million Euro in goodwill following the acquisition of the former Fbs Group.

Tangible assets amount to 185,6 million Euro, an increase of 11,3% compared to the figure of 166,7 million Euro at 31 December 2024, mainly as a result of the investments made in the first quarter of 2025 by the parent company Banca Ifis.

At 31 March 2025, 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 come to 214,4 million Euro, essentially in line with the figure at 31 December 2024.

More specifically, current tax assets amount to 42,2 million Euro and are essentially unchanged compared with the figure at 31 December 2024.

Deferred tax assets (“DTAs”) amount to 172,2 million Euro, in line with the figure at 31 December 2024 and consist mainly of 85,7 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 (85,1 million Euro at 31 December 2024), 39,3 million Euro of assets recognised for prior tax losses and aid for economic growth (“ACE”) benefit (40,0 million Euro at 31 December 2024) and 47 million Euro (46,3 million Euro at 31 December 2024) in tax misalignments mainly relating to financial assets measured at fair value through other comprehensive income (FVOCI) and provisions for risks and charges.

With reference to the recoverability of deferred tax assets recognised at 31 March 2025, please refer to the section “Risks and uncertainties related to estimates” within the “Accounting policies” section of these Notes.

Tax liabilities amount to 60,2 million Euro (51,9 million Euro at 31 December 2024) and are made up as follows:

- current tax liabilities of 30,4 million Euro (23,3 million Euro at 31 December 2024) representing the tax burden accrued during the period;
- deferred tax liabilities, amounting to 29,8 million Euro (28,6 million Euro at 31 December 2024), 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 March 2025:

- the “deferred tax assets that rely on future profitability and do not arise from temporary differences” are subject to deduction from CET1; at 31 March 2025, the deduction is 39,3 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 15,4 million Euro by the corresponding deferred tax liabilities. This deduction will be gradually absorbed by the future use of these deferred tax assets;
- the “deferred tax assets that rely on future profitability and arise from temporary differences” are not deducted from CET1 and receive instead a 250% risk weight: at 31 March 2025, these assets amount to 36,6 million Euro. The amount weighted according to a factor of 250%, as provided for in Art. 38 para. 5 ex CRR, is shown net of the offsetting with the corresponding deferred tax liabilities in the amount of 14,4 million Euro;
- the “deferred tax assets pursuant to Italian Law No. 214/2011”, concerning credit risk losses, that can be converted into tax credits, receive a 100% risk weight; at 31 March 2025, the corresponding weight totals 85,7 million Euro;
- “current tax assets” receive a 0% weight as they are exposures to the Central Government.

Other assets and liabilities

Other assets, of 405,1 million Euro as compared to a balance of 402,5 million Euro at 31 December 2024, include:

- financial assets held for trading for 14,2 million Euro (12,1 million Euro at 31 December 2024), entirely relating to transactions hedged by opposite positions entered amongst financial liabilities held for trading;
- derivative hedging assets, related to micro fair value hedging strategies on the price risk associated with equity securities measured at fair value through other comprehensive income and on the interest rate risk on debt securities, which have a positive fair value of 12,5 million Euro at 31 March 2025;
- equity investments have a balance of 24 thousand Euro, unchanged compared with the balance as at 31 December 2024;
- other assets of 378,4 million Euro (383,0 million Euro at 31 December 2024), which include tax receivables of 161,9 million Euro (of which 146,3 million Euro related to tax credits for Super Ecobonus and other building tax bonuses worth a nominal amount of 162,1 million Euro, a reduction compared with the carrying amount of 163,0 million Euro at 31 December 2024), transitory items and effects portfolio for 72,2 million Euro (up 11,0 million Euro compared with December 2024), accrued income and deferred expenses for 72,2 million Euro (+3,7 million Euro compared with December 2024) and receivables from the tax consolidating company La Scogliera connected to the Group's tax consolidation for 25,3 million Euro, in line with December 2024.

Other liabilities come to 437,0 million Euro, an increase of 16,3% compared with 375,6 million Euro at 31 December 2024, and mainly consist of:

- trading derivative liabilities for 13,5 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 2024 of 13,8 million Euro;
- hedging derivative liabilities, related to micro fair value hedging strategies, which show a negative fair value of 15,7 million Euro at 31 March 2025, up from the balance of 14,9 million Euro at 31 December 2024;
- severance indemnity payable for 7,3 million Euro, 3,5% down on the figure of 31 December 2024 (7,6 million Euro);

- other liabilities for 400,5 million Euro, up 18,0% from 339,4 million Euro at 31 December 2024. More specifically, the most significant items making up the balance at 31 March 2025 largely refer to operating payables for 112,4 million Euro, to transitional items and payables due to customers that have not yet been allocated for 82,5 million Euro and to payables due to La Scogliera for 40,7 million Euro relative to the Group tax consolidation (29,1 million Euro at 31 December 2024).

Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Payables due to banks	**1.791.493**	**1.443.250**	**348.243**	**24,1%**
- Payables due to Central banks	300.110	419.286	(119.176)	(28,4)%
of which: MRO	*300.110*	*400.035*	*(99.925)*	*(25,0)%*
of which: Other deposits	*-*	*19.251*	*(19.251)*	*(100,0)%*
- Repurchase agreements	989.196	630.540	358.656	56,9%
- Other payables	502.187	393.424	108.763	27,6%
Payables due to customers	**6.372.267**	**7.001.763**	**(629.496)**	**(9,0)%**
- Repurchase agreements	687.733	1.045.734	(358.001)	(34,2)%
- Retail	4.568.775	4.789.355	(220.580)	(4,6)%
- Other term deposits	358.908	399.765	(40.857)	(10,2)%
- Lease payables	23.575	23.525	50	0,2%
- Other payables	733.276	743.384	(10.108)	(1,4)%
Debt securities issued	**3.067.443**	**3.152.737**	**(85.294)**	**(2,7)%**
Total funding	**11.231.203**	**11.597.750**	**(366.547)**	**(3,2)%**

Total funding amounts to 11,2 billion Euro at 31 March 2025 and shows a slight decrease compared with the figure at 31 December 2024 (-3,2%); it is represented for 56,7% by payables due to customers (60,4% at 31 December 2024), for 27,3% by debt securities issued (27,2% at 31 December 2024), and for 16,0% by payables due to banks (12,4% at 31 December 2024).

Payables due to banks come to 1,8 billion Euro, up 24,1% compared to the figure for end December 2024 mainly due to growth in repurchase agreements payable to banks of 358,7 million Euro.

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

- 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 300 million Euro, carried out in March 2025 and repaid on 2 April 2025.

Payables due to customers at 31 March 2025 total 6,4 billion Euro, down 9,0% compared to 31 December 2024. The reduction is driven by repurchase agreements with customers, which amount to 687,7 million Euro (-358,0 million Euro compared to the balance at the end of 2024) and retail funding, which amounts to 4,6 billion Euro at the end of March 2025 (-4,6% compared to 31 December 2024).

Debt securities issued amount to 3,1 billion Euro at 31 March 2025, down by 85,3 million Euro (-2,7%) mainly as a result of the normal amortisation of the Group's securitisation securities (-68,2 million Euro compared to December 2024). Debt securities issued at 31 March 2025 consist of:

- securities issued by the SPV ABCP Programme for 930,4 million Euro relating to the senior tranche;
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche;
- securities issued by the SPV Emma for 246,6 million Euro relating to the senior tranche;
- 379,7 million Euro for a subordinate loan, in line with 31 December 2024;
- 4 senior bonds issued by Banca Ifis for a total of 1,1 billion Euro, in line with the figure at end December 2024.

As a result of the dynamics depicted above, the average funding cost as at 31 March 2025 stands at 3,54%, down from the figure of 3,86% for the average of the first quarter of 2024.

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

RETAIL FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Short-term funding (within 18 months)	3.458.175	3.675.749	(217.574)	(5,9)%
of which: unrestricted	*450.450*	*466.046*	*(15.596)*	*(3,3)%*
of which: Like/One	*247.728*	*251.276*	*(3.548)*	*(1,4)%*
of which: restricted	*2.573.209*	*2.598.764*	*(25.555)*	*(1,0)%*
of which: German deposit	*186.788*	*359.663*	*(172.875)*	*(48,1)%*
Medium/long-term funding (beyond 18 months)	1.110.600	1.113.606	(3.006)	(0,3)%
Total retail funding	**4.568.775**	**4.789.355**	**(220.580)**	**(4,6)%**

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Provisions for credit risk related to commitments and financial guarantees granted	5.277	5.222	55	1,1%
Provisions on other commitments and guarantees given	238	337	(99)	(29,4)%
Provisions for pensions	231	231	-	0,0%
Legal and tax disputes	27.039	28.337	(1.298)	(4,6)%
Personnel expenses	1.930	1.931	(1)	(0,1)%
Other provisions	15.721	16.281	(560)	(3,4)%
Total provisions for risks and charges	**50.436**	**52.339**	**(1.903)**	**(3,6)%**

Below is the breakdown of the provision for risks and charges at 31 March 2025 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 March 2025, this item amounts to 5,3 million Euro, reflecting the impairment losses on irrevocable commitments to disburse funds and financial guarantees granted by the Group and is in line with the figure at 31 December 2024.

Provisions on other commitments and guarantees given

As at 31 March 2025, the balance of this item is 238 thousand Euro, a decrease of 99 thousand Euro compared to the figure at 31 December 2024.

Provisions for pensions

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

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

As at 31 March 2025, this fund has a balance of 231 thousand Euro, unchanged from 31 December 2024.

Legal and tax disputes

As at 31 March 2025, provisions are entered for legal and tax disputes for a total of 27,0 million Euro, a reduction on the 28,3 million Euro recorded at 31 December 2024. The decrease of 1,3 million Euro is mainly due to the release of provisions for risks and charges attributable to some individually significant positions. During the course of the period, 24 lawsuits were closed, whose provision set aside at the start of the year amounted to 546 thousand Euro, and 24 new lawsuits were opened, whose provision for risks and charges at 31 March 2025 amounts to 340 thousand Euro.

Personnel expenses

As at 31 March 2025, provisions are entered for staff for 1,9 million Euro, in line with the figure at 31 December 2024, of which 1,6 million Euro relating to the Solidarity Fund.

Other provisions for risks and charges

As at 31 March 2025, “Other provisions” are in place for 15,7 million Euro, essentially in line with the figure recorded at 31 December 2024, which was 16,3 million Euro. The item also consists of 7,5 million Euro hedging risks linked to ongoing disputes on tax credits for the Super Ecobonus and other construction tax bonuses, 3,3 million Euro for Supplementary Customer Indemnity in connection with the Leasing Area's operations, 3,0 million Euro for the provision for risks linked to assignments and 0,5 million Euro for the provision for complaints.

Contingent liabilities

The most significant contingent liabilities within the meaning of IAS 37 existing at 31 March 2025, 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 481,2 million Euro at 31 March 2025 (of which 4,2 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.

Notice of Assessment - Super-amortisation of the subsidiary Ifis Rental Services

It should be noted that on 17 March 2025, 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, following discussions and in-depth analyses carried out with its tax advisors, considers its actions to be correct for reasons of merit and law, and, therefore, will proceed with the challenge of the act in the manner and within the terms provided by law.

Consolidated equity

Consolidated equity at 31 March 2025 totals 1.800,5 million Euro, up 3,0% on the 1.748,1 million Euro booked at end 2024. The main changes in consolidated shareholders' equity are summarised in the following tables.

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS		CHANGE	
	31.03.2025	31.12.2024	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	85.391	85.391	-	0,0%
Valuation reserves:	(23.822)	(28.144)	4.322	(15,4)%
- securities	*(20.521)*	*(23.150)*	*2.629*	*(11,4)%*
- defined benefit plans (e.g. severance indemnity)	*677*	*574*	*103*	*17,9%*
- Exchange differences	*(4.376)*	*(5.437)*	*1.061*	*(19,5)%*
- hedging of equity securities at fair value through other comprehensive income	*398*	*(131)*	*529*	*(403,8)%*
Reserves	1.705.654	1.543.729	161.925	10,5%
Interim dividends (-)	(63.084)	(63.084)	-	0,0%
Treasury shares (-)	(20.971)	(20.971)	-	0,0%
Equity attributable to non-controlling interests	16.243	15.836	407	2,6%
Net profit attributable to the Parent Company	47.284	161.578	(114.294)	(70,7)%
Consolidated equity	**1.800.506**	**1.748.146**	**52.360**	**3,0%**

CONSOLIDATED EQUITY: CHANGES	(in thousands of Euro)
Consolidated equity at 31.12.2024	**1.748.146**
Increases:	**52.360**
Profit for the period attributable to the Parent Company	47.284
Change in valuation reserve	4.421
- securities (net of realisations)	*2.963*
- defined benefit plans (e.g. severance indemnity)	*103*
- Exchange differences	*1.061*
- hedging of equity securities at fair value through other comprehensive income (net of realisations)	*294*
Equity attributable to non-controlling interests	407
Other changes	248
Consolidated equity at 31.03.2025	**1.800.506**

Own funds and capital adequacy ratios

As of 1 January 2025, with the full adoption of EU Regulation 1623/2024 ("CRR3"), capital requirements will be calculated in line with the provisions of the Basel 4 reform, which aims to increase the robustness and degree of comparability between institutions in the banking system, limiting the possibility of using calculation methodologies based on internal models and, at the same time, making standardised methodologies more granular and "risk sensitive" with particular reference to first-pillar risks.

In the area of credit risk, the new regulatory package introduced, among its main innovations, new exposure classes and tightened capital absorption for certain asset classes deemed riskier than others, such as, for example, speculative investments (private equity and venture capital). In addition, the scope of off-balance sheet exposures subject to capital absorption was expanded and credit conversion factors (CCFs) have been introduced for these components. Furthermore, calculation methodologies were introduced for assigning risk weights to exposures to unrated institutions issued by external ECAIs.

As far as market risk is concerned, a revision of the CVA (Credit Valuation Adjustment) calculation method is planned, with the introduction of new basic and standardised calculation methods, and, in parallel, the FRTB ("Fundamental Review of the Trading Book") will be introduced on the trading book, as of 1 January 2026, in order to make valuation models more efficient, promoting standardisation and transparency through the application of common rules, which will be useful for a more level playing field.

Lastly, Basel 4 introduces a new and unique standardised model for calculating operational risk, defined as the "Business Indicator Component", which provides for a scaled multiplicative coefficient based on the size level of the Business Indicator (BI), equal to 12% for BI of 1 billion Euro or less, 15% in the case of BI between 1 billion Euro and 30 billion Euro, and 18% in the case of BI over 30 billion Euro.

The Banca Ifis Group, with the aim of adapting to the new rules provided for by Basel 4, has already launched adequate project initiatives during the past year to ensure compliance with the new Framework in compliance with the adoption time-frames provided for by the new regulation. In line with the extension granted by the Bank of Italy to institutions, the deadlines for sending the first report referring to 31 March 2025 are extended until 30 June 2025.

For the first quarter of 2025, a factor of 0,5% continues to apply to risk-weighted exposures to residents of Italy for the calculation of the systemic risk buffer. The target rate of 1,0% is to be reached by 30 June 2025.

As of 1 January 2025, the calculation of Own funds no longer benefits from the transitional IFRS 9 treatment introduced by EU Regulation 873/2020 for the period 2020-2024, while the temporary treatment of unrealised gains and losses measured at fair value continues to apply for exposures to central governments classified in the category "financial assets measured at fair value through comprehensive income" (FVOCI), reintroduced by EU Regulation 1623/2024 as an amendment to Article 468 of the CRR as of 9 July 2024.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	31.03.2025[1]	31.12.2024[2]
Common Equity Tier 1 (CET1) capital	1.586.010	1.583.801
Tier 1 capital	1.586.864	1.584.703
Total Own funds	**1.766.262**	**1.781.416**
Total RWAs	**9.582.796**	**9.836.093**
CET1 Ratio	16,55%	16,10%
Tier 1 Ratio	16,56%	16,11%
Total Capital Ratio	**18,43%**	**18,11%**

(1) CET1, Tier 1 and Total Capital do not include the profits accrued by the Banking Group at 31 March 2025.
(2) 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.

At 31 March 2025, taking into account the transitional treatment of the filter on the FVOCI reserves, Own funds amount to 1.766,3 million Euro, recording a negative change of 15,2 million Euro compared to 31 December 2024. This change is mainly attributable to the following components:

- lesser deduction of investments in intangible assets, with a positive change of 6,3 million Euro;
- the increase in other components of overall profitability, with a positive change of 4,3 million Euro;
- positive change in other reserves in the amount of 0,3 million Euro;
- higher deduction from the CET1, deriving from the increase in receivables within the scope of what is termed “Calendar provisioning”, for 4,8 million Euro;
- the end of the transitional period for the application of the IFRS 9 filter, which led to a negative change of 3,3 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 17,3 million Euro.

The negative change in shareholders' equity due to the aforementioned phenomena was mitigated by a reduction in risk-weighted assets (RWA) of 253,3 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	**5.888.287**	***2.751.578***	***1.212.371***	***1.924.338***	**1.737.378**	**1.037.388**	**8.663.053**
RWA for market risk	X	*X*	*X*	*X*	X	X	71.657
RWA for operational risk (basic indicator approach)	X	*X*	*X*	*X*	X	X	701.071
RWA for credit valuation adjustment risk	X	*X*	*X*	*X*	X	X	147.015
Total RWAs	**X**	***X***	***X***	***X***	**X**	**X**	**9.582.796**

At 31 March 2025, taking into account the transitional provisions introduced by Regulation 1623/2024 (CRR3), risk-weighted assets (RWAs) amount to 9.582,8 million Euro, a decrease of 253,3 million Euro compared to December 2024. Specifically, please note:

- a reduction in credit risk of 12,3 million Euro mainly attributable to the following asset classes:

- receivables due from customers: a decrease of 139 million Euro attributable for 268 million Euro to the reduction in volumes in the Factoring Area, partially offset by an increase of 101 million Euro related to advances on future receivables and leasing;
- other segments: increase of 49,6 million Euro, mainly attributable to the increase in transactions in repurchase agreements and derivative instruments in the amount of 45,8 million Euro;
- off-balance sheet exposures: increase of 77,1 million Euro mainly due to the increase in riskiness related to the new Basel 4 framework, partially offset by the reduction in volumes on surety business.

- an increase in market risk and Credit Valuation Adjustment (CVA) risk components, totalling 96,2 million Euro, mainly due to the increase in derivative transactions;
- a reduction in operational risk of 337,2 million Euro, due to the new Basel 4 calculation method.

Following the above-described dynamics, at 31 March 2025, the CET1 ratio stands at 16,55%, up 45 basis points from 31 December 2024, while the Total Capital ratio stands at 18,43%, up 32 basis points compared with 31 December 2024.

At 31 March 2025, not considering the prudential filter for exposures to central governments classified in the FVOCI category, Fully Loaded Own Funds amount to 1.751,5 million Euro, and consequently the RWA, when fully applied, come to 10.311,3 million Euro.

For the sake of comparison, it should be noted that at 31 March 2025, the Banca Ifis Group, at the consolidated level, is required to comply with the following capital requirements, as part of the Supervisory Review and Evaluation Process (SREP)[1]:

- 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[2] (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 reached gradually, forming a reserve:

- equal to at least 0,50% of material exposures as of 31 December 2024;
- equal to the remaining 0,50% by 30 June 2025.

The SyRB must be applied both at the consolidated and individual level.

---

[1] Pending the calculation of the systemic and countercyclical reserve for March 2025, are reported the coefficients calculated for December 2024.

[2] 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.

<table>
<tr><th colspan="9">Overall Capital Requirement (OCR)</th><th>Pillar 2 Guidance</th><th>Total</th></tr>
<tr><th rowspan="2"></th><th rowspan="2">Art. 92 CRR</th><th rowspan="2">SREP</th><th rowspan="2">TSCR</th><th colspan="3">Combined requirement</th><th rowspan="2">OCR Ratio</th><th rowspan="2">P2G</th><th rowspan="2">OCR and P2G</th></tr>
<tr><th>RCC (1)</th><th>Countercyclical buffer</th><th>Systemic risk</th></tr>
<tr><td>CET1</td><td>4,50%</td><td>1,00%</td><td>5,50%</td><td>2,50%</td><td>0,04%</td><td>0,40%</td><td>8,44%</td><td>1,00%</td><td>9,44%</td></tr>
<tr><td>Tier 1</td><td>6,00%</td><td>1,40%</td><td>7,40%</td><td>2,50%</td><td>0,04%</td><td>0,40%</td><td>10,34%</td><td>1,00%</td><td>11,34%</td></tr>
<tr><td>Total Capital</td><td>8,00%</td><td>1,80%</td><td>9,80%</td><td>2,50%</td><td>0,04%</td><td>0,40%</td><td>12,74%</td><td>1,00%</td><td>13,74%</td></tr>
</table>

(1) RCC: capital conservation buffer.

At 31 March 2025, 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 at the reporting date. The minimum threshold added together is 15,67%.

At 31 March 2025, following the monitoring process, both indicators were easily met.

Group liquidity position and coefficients

During the first quarter of 2025, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance with respect to retail funding. The Group has liquidity at 31 March 2025 (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).

Disclosure regarding sovereign debt

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

In accordance with the requirements of the aforementioned Consob Communication, it should be noted that at 31 March 2025 the carrying amount of sovereign debt exposures is 2.371 million Euro, net of the negative valuation reserve of 14,7 million Euro.

These securities, with a nominal amount of 2.458 million Euro have a weighted residual average life of 73 months.

The fair values used to measure the exposures to sovereign debt securities at 31 March 2025 are considered to be Level 1.

Pursuant to the Consob Communication, besides the exposure to sovereign debt, it is also necessary to consider receivables disbursed to and due from the Italian National Administration. These exposures at 31 March 2025 amount to 276 million Euro, of which 75 million Euro related to tax credits.

Reclassified income statements items

Formation of net banking income

Net banking income totals 178,8 million Euro, a reduction compared with the figure of 185,2 million Euro at 31 March 2024, mainly due to the lesser contribution of net interest income.

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

FORMATION OF NET BANKING INCOME (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	130.754	140.758	(10.004)	(7,1)%
Net commission income	20.525	23.074	(2.549)	(11,0)%
Other components of net banking income	27.514	21.406	6.108	28,5%
Net banking income	**178.793**	**185.238**	**(6.445)**	**(3,5)%**

Net interest income amounts to 130,8 million Euro, down from the figure of 140,8 million Euro at 31 March 2024, as the positive contribution of the Npl Segment (+3,2 million Euro) was more than offset by the reduction in net interest income of the Commercial & Corporate Banking Segment (-4,7 million Euro) and the Governance & Services and Non-Core Segment (-8,5 million Euro), which was affected by both the physiological lower contribution of a run-off portfolio (-2,4 million Euro) and the lower treasury-side margins (which is the main cause of the remaining negative change of 6,1 million Euro).

Net commissions amount to 20,5 million Euro, a decrease of 2,5 million Euro compared to the figure at 31 March 2024, mainly due to negative contributions from the Factoring Area (-2,0 million Euro) of the Corporate Banking & Lending Area (-0,7 million Euro). In particular:

- commission income, totalling 25,5 million Euro, down 2,4 million Euro compared with 31 March 2024, 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, totalling 5,0 million Euro, essentially in line with the figure of 31 March 2024, largely refers to fees paid to banks and financial intermediaries such as management fees, fees paid to third parties for the distribution of leasing products, as well as brokerage operations carried out by approved banks and other credit brokers.

The other components of net banking income are 27,5 million Euro at 31 March 2025, up by 6,1 million Euro compared with the first quarter of 2024. Below are details of the components:

- net gains from the sale/repurchase of financial assets and liabilities of 12,7 million Euro (+3,0 million Euro compared to net gains of 9,7 million Euro at 31 March 2024), mainly comprising 8,0 million Euro related to securities transactions in the proprietary portfolio mainly for the disposals of debt securities (vs 9,6 million Euro recorded in the first quarter of 2024), of which 6,3 million Euro related to bank debt securities and 0,5 million Euro relative to government securities and 4,8 million Euro from the disposals of loans in the Npl Segment (showing significant growth compared with the figure of 0,1 million Euro at 31 March 2024);
- net positive result of other financial assets and liabilities measured at fair value through profit or loss for 11,3 million Euro (down 1,2 million Euro compared with the figure at 31 March 2024), primarily represented by the net positive change in fair value in the first quarter of 2025 of equity securities for 5,3 million Euro, down 2,7 million Euro compared with the figure at 31 March 2024 (which still included the capital gain on the sale for approximately 6 million Euro of participating financial instruments obtained from a restructuring operation of the debt of a position in the Non-Core division) and UCITS fund units for 6,5 million Euro (+3,0 million Euro compared with 31 March 2024);

- dividends generated by shares in the Group's own portfolio in the amount of 2,8 million Euro (+1,9 million Euro compared to the figure for the first quarter of 2024);
- positive net result from trading activities of 0,7 million Euro as an improvement of 1,3 million Euro compared to the negative net result of 0,6 million Euro in the first quarter of 2024, mainly due to the better performance of trading derivatives (+1,7 million Euro compared to the balance at 31 March 2024);
- net result from hedging is essentially nil as at 31 March 2025, a significant improvement compared to the negative figure of 1,0 million Euro at 31 March 2024.

Formation of net profit (loss) from financial activities

The Group's net profit from financial activities totals 170,6 million Euro, a decrease compared to 176,6 million Euro at 31 March 2024 (-3,4%).

FORMATION OF NET PROFIT (LOSS) FROM FINANCIAL ACTIVITIES (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net banking income	**178.793**	**185.238**	**(6.445)**	**(3,5)%**
Net credit risk losses/reversals	(8.169)	(8.589)	420	(4,9)%
Net profit (loss) from financial activities	**170.624**	**176.649**	**(6.025)**	**(3,4)%**

Net credit risk losses total 8,2 million Euro at 31 March 2025, an improvement of 0,4 million Euro on the 8,6 million Euro at 31 March 2024.

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

Formation of net profit

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

FORMATION OF NET PROFIT (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Net profit (loss) from financial activities	**170.624**	**176.649**	**(6.025)**	**(3,4)%**
Operating costs	**(97.538)**	**(102.120)**	**4.582**	**(4,5)%**
Charges related to the banking system	(10)	(9)	(1)	5,6%
Net allocations to provisions for risks and charges	137	(2.149)	2.286	n.s.
Non-recurring expenses and income	(4.424)	(40)	(4.384)	n.s.
Pre-tax profit from continuing operations	**68.789**	**72.331**	**(3.542)**	**(4,9)%**
Income taxes for the period relating to continuing operations	(21.098)	(24.701)	3.603	(14,6)%
Profit (loss) for the period	**47.691**	**47.630**	**61**	**0,1%**
(Profit) loss for the period attributable to non-controlling interests	(407)	(454)	47	(10,4)%
Profit (loss) for the period attributable to the Parent Company	**47.284**	**47.176**	**108**	**0,2%**

Operating costs total 97,5 million Euro, showing a decrease of 4,6 million Euro compared with 31 March 2024. The cost/income ratio (reclassified figure) is 54,6%, compared with 55,1% in the same period of the previous year.

OPERATING COSTS (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Administrative expenses:	99.475	105.337	(5.862)	(5,6)%
a) personnel expenses	*42.180*	*43.396*	*(1.216)*	*(2,8)%*
b) other administrative expenses	*57.295*	*61.941*	*(4.646)*	*(7,5)%*
Net impairment losses/reversals on property, plant and equipment and intangible assets	6.445	5.174	1.271	24,6%
Other operating income/expenses	(8.382)	(8.391)	9	(0,1)%
Operating costs	**97.538**	**102.120**	**(4.582)**	**(4,5)%**

Personnel expenses drop by 2,8% to 42,2 million Euro compared with the same period of the previous year. The number of Group employees at 31 March 2025 is 2.025, a 2,9% increase compared with the 1.968 resources at 31 March 2024.

Other administrative expenses at 31 March 2025 are 57,3 million Euro, down 4,6 million Euro on 31 March 2024. This change is mainly related to costs for outsourced services, which decrease by 34,6% compared to the same period of the previous year.

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

OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	FIRST 3 MONTHS		CHANGE	
	2025	2024	ABSOLUTE	%
Expenses for professional services	**28.793**	**34.113**	**(5.320)**	**(15,6)%**
Legal and consulting services	19.476	20.208	(732)	(3,6)%
Fees to auditing firms	521	454	67	14,8%
Outsourced services	8.796	13.451	(4.655)	(34,6)%
Direct and indirect taxes	**7.994**	**9.290**	**(1.296)**	**(14,0)%**
Expenses for purchasing goods and other services	**20.508**	**18.538**	**1.970**	**10,6%**
Software assistance and hire	6.216	5.282	934	17,7%
Advertising and inserts	3.957	2.968	989	33,3%
Property expenses	2.194	2.084	110	5,3%
Customer information	1.862	2.926	(1.064)	(36,4)%
Business travel and transfers	1.381	906	475	52,4%
Car fleet management and maintenance	1.095	917	178	19,4%
Telephone and data transmission expenses	828	957	(129)	(13,5)%
Postage and archiving of documents	621	937	(316)	(33,7)%
Securitisation costs	339	362	(23)	(6,4)%
Other sundry expenses	2.015	1.199	816	68,1%
Total other administrative expenses	**57.295**	**61.941**	**(4.646)**	**(7,5)%**

The sub-item “Expenses for professional services” is 28,8 million Euro at 31 March 2025, down by 5,3 million Euro compared with the figure at 31 March 2024 (-15,6%) and mainly consists of:

- costs for “Legal and consulting services”, which come to 19,5 million Euro during the first nine months of 2025, down 3,6% on the figure recorded for the same period of last year;
- costs for “Outsourced services”, which amount to 8,8 million Euro at 31 March 2025, record a decrease of 4,7 million Euro on the figure recorded for the same period of the previous year. The change is mainly attributable to lower recovery costs related to the Npl Segment.

“Direct and indirect taxes” come to 8,0 million Euro, a reduction on the figure at 31 March 2024, which was 9,3 million Euro (-14,0%). The item mainly consists of the registration tax incurred for the judicial recovery of receivables belonging to non-performing loans for an amount of 4,9 million Euro at 31 March 2025 (6,1 million Euro during the same period of the previous year), and also includes costs for stamp duty for 2,8 million Euro (in line with the 31 March 2024 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 20,5 million Euro, a 10,6% increase on 31 March 2024. The factors that mainly influence the result are:

- costs for “Software assistance and hire”, which amount to 6,2 million Euro and show an increase (+17,7%) compared with the figure at 31 March 2024;
- expenses for “Advertising and inserts”, which increase from 3,0 million Euro to 4,0 million Euro at March 2025 (+1,0 million Euro compared with 31 March 2024);
- “Property expenses”, which amount to 2,2 million Euro and increase by 5,3% compared to March 2024 (+0,1 million Euro);
- “Customer information” costs, which are 1,9 million Euro at 31 March 2025 and down 1,1 million Euro on 31 March 2024.

Net adjustments to property, plant and equipment and intangible assets at 31 March 2025 both amount to 3,2 million Euro and increase by 15,6% and 35,0%, respectively, compared to the figures for the same period of the previous year, as a result of the investments in tangible and intangible assets made by the Banca Ifis Group during 2024 and the first quarter of 2025.

Other net operating income, amounting to 8,4 million Euro at 31 March 2025, is in line with the figure at 31 March 2024. The item refers mainly to revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations.

As a result of the dynamics outlined above, operating costs in March 2025 amount to 97,5 million Euro, down 4,6 million Euro compared with the balance of March 2024.

The item “Charges related to the banking system” includes the costs incurred during the period for the operation of the banking system's guarantee funds and comes to 10 thousand Euro, in line with the figure at 31 March 2024.

“Net allocations to provisions for risks and charges for risks and charges” at 31 March 2025 show net releases of 0,1 million Euro, while the balance at 31 March 2024 recorded Net allocations to provisions for risks and charges made of 2,1 million Euro. More specifically, the comparative figure was characterised, amongst other effects, by provisions for payments under guarantee of 0,9 million Euro and 1,5 million Euro for guarantees for indemnities in connection with a sale of a shareholding.

The item “Non-recurring expenses and income” shows a net negative balance of 4,4 million Euro at 31 March 2025 and refers to non-recurring operating costs pertaining to the first quarter of 2025 mainly related to the voluntary takeover bid on all the shares of illimity Bank, submitted by Banca Ifis in January 2025 (for more details see the section below “Significant events occurred in the period”). This figure is a significant increase compared to the balance as at 31 March 2024, amounting to 40 thousand Euro, which referred to the residual costs pertaining to the first quarter of 2024 connected to the integration of the former Revalea within the Banca Ifis Group and, specifically, the Npl Segment.

Pre-tax profit from continuing operations amounts to 68,8 million Euro, down 4,9% compared to 31 March 2024.

Income tax at 31 March 2025 comes to 21,1 million Euro and the tax rate is 30,67%, down compared with the 34,15% recorded at 31 March 2024.

The net profit attributable to the Parent Company amounts to 47,3 million Euro, essentially in line with the first quarter of 2024 figure.

Significant events occurred in the period

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the Media section of the institutional website www.bancaifis.it to view all press releases.

Here below is a summary of the most significant events in the period.

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

aOn 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, which to date have not yet been assured, 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, which will be adjusted to 1,506 Euro following the detachment, on 19 May 2025, of the coupon for the balance of the dividend for FY 2024.

On 10 March 2025, Banca Ifis announced that the Italian Antitrust Authority (AGCM) had granted its authorisation for the transaction, without imposing any conditions, limitations or requirements, and that, in light of this, Banca Ifis did not identify any further antitrust authorisations necessary to complete the offer.

On 14 March 2025, the President of the Council of Ministers forwarded to Banca Ifis the resolution accepting the proposal of the Ministry of Economy and Finance (MEF) 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.

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 specialty finance market, expanding its SME customer base, entering new businesses and segments, and maintaining its leadership in Npls.

Significant subsequent events

The Shareholders' Meeting gave approval for the share capital increase dedicated to the voluntary takeover bids on illimity Bank and approved the 2024 Financial Statements and the distribution of a dividend of 0,92 Euro per share for the year

On 17 April 2025, the Extraordinary and Ordinary Shareholders' Meeting of Banca Ifis, approved the 2024 Financial Statements and the consequent distribution of a dividend balance of 0,92 Euro for each Banca Ifis ordinary share issued and outstanding, already considered as a deduction of Equity as at 31 December 2024, with ex-dividend no. 31 date of 19 May 2025, record date of 20 May 2025 and payment date of 21 May 2025. At the same time, the Shareholders' Meeting also approved the renewal of the Board of Directors and expanded from 13 to 14 the number of Directors who will hold office until the date of the Shareholders' Meeting convened to approve the Annual Report for the year ending 31 December 2027. Rosalba Benedetto and Chiara Paolino join the Board of Directors. They will further strengthen the Board's expertise in the areas of brand reputation, sustainability and corporate management.

The Extraordinary Shareholders' Meeting approved the assignment to the Board of Directors of the proxy for the capital increase dedicated to the voluntary takeover bids on all the shares of illimity Bank S.p.A. promoted by Banca Ifis, announced on 8 January 2025.

The Board of Directors of Banca Ifis, which met on the sidelines of the Shareholders' Meeting, renewed Frederik Geertman as CEO and appointed Rosalba Benedetto as Vice Chair of the Banking Group.

Banca Ifis has received authorisation from the European Central Bank (ECB) and the Bank of Italy for the offer on illimity Bank, as well as CONSOB's approval of the bid document

With reference to the voluntary totalitarian takeover bids for all the ordinary shares of illimity Bank S.p.A., Banca Ifis received authorisation from the European Central Bank (ECB) on 28 April 2025 for the direct and indirect acquisition of a controlling stake in illimity, pursuant to Articles 19 et seq. of Italian Legislative Decree No. 385 of 1 September 1993.

Following the authorisation of the European Central Bank, on 2 May 2025 Banca Ifis also received all the necessary authorisations pertaining to the Bank of Italy and specifically:

- the authorisation of the indirect acquisition of a controlling interest in illimity SGR S.p.A. and the purchase of a qualified shareholding in Hype S.p.A.;
- the authorisation of the acquisition of the stake in illimity for a consideration exceeding 10% of the Banca Ifis Group's equity on a consolidated basis; and
- the ruling to ascertain that the amendments to Banca Ifis's articles of association resulting from the share capital increase to service the offer do not conflict with the sound and prudent management of Banca Ifis.

The Bank of Italy also confirmed the eligibility of the new shares issued as part of the capital increase as Common Equity Tier 1 (CET1) capital.

After obtaining the aforementioned regulatory authorisations, CONSOB, by resolution No. 23543 of 7 May 2025, approved the offer document pursuant to Article 102, paragraph 4 of the TUF.

Exercise of the proxy to increase the share capital to service the public takeover bid promoted by Banca Ifis on illimity Bank

Today, the Board of Directors of Banca Ifis resolved, in execution of the mandate conferred by the Extraordinary Shareholders' Meeting of 17 April 2025, to increase the share capital for cash, in one or more tranches and in divisible form, with the exclusion of option rights pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, to service the total voluntary tender offer promoted by Banca Ifis on all the ordinary shares of illimity pursuant to Articles 102 and 106, paragraph 4, of the TUF.

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

Venice - Mestre, 8 May 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.

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

Banca Ifis

Declaration by the Manager charged with preparing the Company’s financial reports

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

DECLARES

pursuant to Article 154-bis, paragraph 2, of Italian Legislative Decree no. 58 of 24 February 1998, “Consolidated Law on Financial Intermediation”, that the accounting information contained in this Consolidated Interim Report at 31 March 2025 coincides with the documented results, books and accounting records.

Venice - Mestre, 8 May 2025

Manager charged with preparing the Company’s financial reports

Massimo Luigi Zanaboni

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

Annexes

Banca Ifis

Reconciliation between reclassified consolidated financial statements and consolidated financial statements

RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)			31.03.2025	31.12.2024
Cash and cash equivalents			**385.660**	**505.016**
+	*10.*	*Cash and cash equivalents*	*385.660*	*505.016*
Financial assets held for trading			**14.191**	**12.069**
+	*20.a*	*Financial assets measured at fair value through profit or loss: a) financial assets held for trading*	*14.191*	*12.069*
Financial assets mandatorily measured at fair value through profit or loss			**257.655**	**237.032**
+	*20.c*	*Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value*	*257.655*	*237.032*
Financial assets measured at fair value through other comprehensive income			**901.677**	**701.830**
+	*30.*	*Financial assets measured at fair value through other comprehensive income*	*901.677*	*701.830*
Receivables due from banks measured at amortised cost			**589.491**	**703.763**
+	*40.a*	*Financial assets measured at amortised cost: a) receivables due from banks*	*589.491*	*703.763*
Receivables due from customers measured at amortised cost			**10.551.764**	**10.810.018**
+	*40.b*	*Financial assets measured at amortised cost: b) receivables due from customers*	*10.551.764*	*10.810.018*
Hedging derivatives			**12.510**	**7.404**
+	*50.*	*Hedging derivatives*	*12.510*	*7.404*
Equity investments			**24**	**24**
+	*70.*	*Equity investments*	*24*	*24*
Property, plant and equipment			**185.565**	**166.665**
+	*90.*	*Property, plant and equipment*	*185.565*	*166.665*
Intangible assets			**87.998**	**85.488**
+	*100.*	*Intangible assets*	*87.998*	*85.488*
of which: - goodwill			***38.020***	***38.020***
Tax assets			**214.399**	**213.464**
a) current			**42.208**	**42.033**
+	*110.a*	*Tax assets: a) current*	*42.208*	*42.033*
b) deferred			**172.191**	**171.431**
+	*110.b*	*Tax assets: b) deferred*	*172.191*	*171.431*
Other assets			**378.407**	**382.965**
+	*130.*	*Other assets*	*378.407*	*382.965*
Total assets			**13.579.341**	**13.825.738**

RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)			31.03.2025	31.12.2024
Payables due to banks			**1.791.493**	**1.443.250**
+	*10.a*	*Financial liabilities measured at amortised cost: a) payables due to banks*	*1.791.493*	*1.443.250*
Payables due to customers			**6.372.267**	**7.001.763**
+	*10.b*	*Financial liabilities measured at amortised cost: b) payables due from customers*	*6.372.267*	*7.001.763*
Debt securities issued			**3.067.443**	**3.152.737**
+	*10.c*	*Financial liabilities measured at amortised cost: c) debt securities issued*	*3.067.443*	*3.152.737*
Financial liabilities held for trading			**13.479**	**13.765**
+	*20.*	*Financial liabilities held for trading*	*13.479*	*13.765*
Hedging derivatives			**15.654**	**14.868**
+	*40.*	*Hedging derivatives*	*15.654*	*14.868*
Tax liabilities			**60.226**	**51.924**
a) current			**30.417**	**23.345**
+	*60.a*	*Tax liabilities: a) current*	*30.417*	*23.345*
b) deferred			**29.809**	**28.579**
+	*60.b*	*Tax liabilities: b) deferred*	*29.809*	*28.579*
Other liabilities			**400.532**	**339.377**
+	*80.*	*Other liabilities*	*400.532*	*339.377*
Post-employment benefits			**7.305**	**7.569**
+	*90.*	*Post-employment benefits*	*7.305*	*7.569*
Provisions for risks and charges			**50.436**	**52.339**
+	*100.a*	*Provisions for risks and charges: a) commitments and guarantees granted*	*5.515*	*5.559*
+	*100.b*	*Provisions for risks and charges: b) pensions and similar obligations*	*231*	*231*
+	*100.c*	*Provisions for risks and charges: c) other provisions for risks and charges*	*44.690*	*46.549*
Valuation reserves			**(23.822)**	**(28.144)**
+	*120.*	*Valuation reserves*	*(23.822)*	*(28.144)*
Reserves			**1.705.654**	**1.543.729**
+	*150.*	*Reserves*	*1.705.654*	*1.543.729*
Interim dividends (-)			**(63.084)**	**(63.084)**
+	*155.*	*Interim dividends (-)*	*(63.084)*	*(63.084)*
Share premiums			**85.391**	**85.391**
+	*160.*	*Share premiums*	*85.391*	*85.391*
Share capital			**53.811**	**53.811**
+	*170.*	*Share capital*	*53.811*	*53.811*
Treasury shares (-)			**(20.971)**	**(20.971)**
+	*180.*	*Treasury shares (-)*	*(20.971)*	*(20.971)*
Equity attributable to non-controlling interests (+/-)			**16.243**	**15.836**
+	*190.*	*Equity attributable to non-controlling interests (+/-)*	*16.243*	*15.836*
Profit (loss) for the period			**47.284**	**161.578**
+	*200.*	*Profit (loss) for the period (+/-)*	*47.284*	*161.578*
Total liabilities and equity			**13.579.341**	**13.825.738**

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		31.03.2025	31.03.2024
Net interest income		**130.754**	**140.758**
+ 30.	*Net interest income*	*92.088*	*104.607*
	+ 10. Interest receivable and similar income	*190.427*	*217.996*
	+ 20. Interest due and similar expenses	*(98.339)*	*(113.389)*
+ 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*38.666*	*36.151*
Net commission income		**20.525**	**23.074**
+ 60.	*Net commission income*	*20.525*	*23.074*
	+ 40. Commission income	*25.513*	*27.954*
	+ 50. Commission expense	*(4.988)*	*(4.880)*
Other components of net banking income		**27.514**	**21.406**
+ 70.	*Dividends and similar income*	*2.791*	*845*
+ 80.	*Net profit (loss) from trading*	*671*	*(588)*
+ 90.	*Net result from hedging*	*68*	*(1.032)*
+ 100.a	*Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost*	*12.228*	*8.731*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(12)*	*-*
+ 100.b	*Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income*	*569*	*922*
+ 100.c	*Gains (losses) on sale/buyback of: c) financial liabilities*	*(91)*	*87*
+ 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*	*11.290*	*12.441*
Net banking income		**178.793**	**185.238**
+ 120.	*Net banking income*	*140.139*	*149.087*
+ 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*38.666*	*36.151*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(12)*	*-*
Net credit risk losses/reversals		**(8.169)**	**(8.589)**
+ 130.a	*Net credit risk losses/reversals related to: a) financial assets measured at amortised cost*	*30.452*	*26.311*
- 130.a (Partial)	*Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations*	*(38.666)*	*(36.151)*
+ 130.b	*Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income*	*(13)*	*376*
+ 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*12*	*-*
+ 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*46*	*875*
Net profit (loss) from financial activities		**170.624**	**176.649**
+ 150.	*Net profit (loss) from financial activities*	*170.578*	*175.774*
- 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*(12)*	*-*
+ 100.a (Partial)	*Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment*	*12*	*-*
+ 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*46*	*875*

<< Continues on next page >>

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		31.03.2025	31.03.2024
Administrative expenses		**(99.475)**	**(105.337)**
a) personnel expenses		**(42.180)**	**(43.396)**
+ 190.a	*a) personnel expenses*	*(42.180)*	*(43.396)*
b) other administrative expenses		**(57.295)**	**(61.941)**
+ 190.b	*b) other administrative expenses*	*(61.729)*	*(61.990)*
- 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*4.424*	*40*
- 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*10*	*9*
Net impairment losses/reversals on property, plant and equipment and intangible assets		**(6.445)**	**(5.174)**
+ 210.	*Net impairment losses/reversals on property, plant and equipment*	*(3.210)*	*(2.777)*
+ 220.	*Net impairment losses/reversals on intangible assets*	*(3.235)*	*(2.397)*
Other operating income/expenses		**8.382**	**8.391**
+ 230.	*Other operating income/expenses*	*8.382*	*8.391*
Operating costs		**(97.538)**	**(102.120)**
+ 240.	*Operating costs*	*(101.789)*	*(103.443)*
- 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*4.424*	*40*
- 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*10*	*9*
- 200.	*Net allocations to provisions for risks and charges*	*(183)*	*1.274*
Charges related to the banking system		**(10)**	**(9)**
+ 190.b (partial)	*b) other administrative expenses: contributions to resolution and deposit protection funds*	*(10)*	*(9)*
Net allocations to provisions for risks and charges		**137**	**(2.149)**
+ 200.a	*Net allocations to provisions for risks and charges: a) commitments and guarantees granted*	*46*	*875*
- 200.a (partial)	*Net allocations for credit risk related to commitments and guarantees granted*	*(46)*	*(875)*
+ 200.b	*Net allocations to provisions for risks and charges: b) other net allocations*	*137*	*(2.149)*
Non-recurring expenses and income		**(4.424)**	**(40)**
+ 190.b (partial)	*b) other administrative expenses: non-recurring charges*	*(4.424)*	*(40)*
Pre-tax profit (loss) for the period from continuing operations		**68.789**	**72.331**
+ 290.	*Pre-tax profit (loss) for the period from continuing operations*	*68.789*	*72.331*
Income taxes for the period relating to continuing operations		**(21.098)**	**(24.701)**
+ 300.	*Income taxes for the period relating to continuing operations*	*(21.098)*	*(24.701)*
Profit (loss) for the period		**47.691**	**47.630**
+ 330.	*Profit (loss) for the period*	*47.691*	*47.630*
	+ 310. Profit (loss) from continuing operations, net of taxes	*47.691*	*47.630*
(Profit) loss for the period attributable to non-controlling interests		**(407)**	**(454)**
+ 340.	*Profit (loss) for the period attributable to non-controlling interests*	*(407)*	*(454)*
Profit (loss) for the period attributable to the Parent Company		**47.284**	**47.176**
+ 350.	*Profit (loss) for the period attributable to the Parent Company*	*47.284*	*47.176*

bancaifis.it