Informazione Regolamentata n. 0147-24-2024	Data/Ora Inizio Diffusione 9 Maggio 2024 11:25:36	Euronext Star Milan

Societa'	:	BANCA IFIS
Identificativo Informazione Regolamentata	:	190304
Utenza - Referente	:	IFISN07 - DA RIO
Tipologia	:	REGEM; 2.2
Data/Ora Ricezione	:	9 Maggio 2024 11:25:36
Data/Ora Inizio Diffusione	:	9 Maggio 2024 11:25:36
Oggetto	:	PR_BancaIfis1Q24_EN

Testo del comunicato

Vedi allegato

Banca Ifis

PRESS RELEASE
Q1 2024 RESULTS

Banca Ifis: net profit for Q1 2024 up to 47 million Euro. Revenues rise by 5% on 2023

- **The favourable revenue trend, up 5,4% compared to the first quarter of 2023, is supported by the positive performance of the commercial business and proprietary finance.**
- **Cash flows on Npl portfolios amounted to 112 million Euro thanks to the increase in amicable collections, which confirms the Bank's know-how in this activity.**
- **Solid liquidity position equal to approximately 2,5 billion Euro in reserves and free assets that can be financed by the ECB (LCR above 2.600%). 1,25 billion Euro of TLTROs were repaid in advance, while the remaining 0,79 billion Euro will be repaid by end September.**
- **CET1 ratio rises, standing at 14,98% excluding the profit for the first quarter, easily exceeding capital requirements[1].**
- **The dividend of 47 million Euro (0,90 Euro per share), which was resolved by the Shareholders' Meeting on 18 April 2024, will be distributed on 22 May 2024. This amount is in addition to the advance payment of 63 million Euro (1,2 Euro per share) distributed in November 2023.**
- **MSCI has assigned the Bank an ESG AA rating (from A). This result reflects the numerous sustainability initiatives, addressed by the Chair and implemented in recent years, aimed at generating a positive impact for the communities in which the Bank operates and for the country.**

Q1 2024 results

Reclassified data[2] - 1 January 2024/31 March 2024

- **The Group's net profit amounts to 47,2 million Euro, up 2,7%** from 45,9 million Euro in the first quarter of 2023. The results of the first quarter were positively influenced by the commercial results, the results of the proprietary finance business and the moderate risk scenario.
- **Net banking income, up 5,4% to 185,2 million Euro** compared to 175,8 million Euro in Q1 2023, benefited from the growth of the Commercial & Corporate Banking Segment (+1,6% compared to Q1 2023), contributions from the proprietary finance business (with 7,2 million Euro deriving from the sale of bank securities at amortised cost) and from the disposal of an investment deriving from the restructuring of an impaired credit position (with a capital gain of 6,0 million Euro).
- **Operating costs of 102,1 million Euro** (+12,1% compared to 91,1 million Euro in the first quarter of 2023) increase due to higher personnel expenses (43,4 million Euro compared to 39,7 million Euro in Q1 2023), mainly due to the growth in the number of employees, also following Revalea's joining, not present in Q1 2023, and the renewed NCBA, and higher other administrative expenses (61,9 million Euro compared to 53,8 million Euro in the same period of 2023).
- **Credit cost is 8,6 million Euro**, down 13,9% compared to Q1 2023, confirming the positive dynamics of asset quality in 2023.

---

[1] In January 2024, the Banca Ifis Group was notified of the new SREP requirements by the Bank of Italy. The new requirements provide for a CET1 of 9,0%, a Tier 1 Ratio of 10,90% and a Total Capital Ratio of 13,30% (including 1,0% P2G) and apply starting 31 March 2024. As at 31 December 2023, the SREP requirements were: CET1 8,65%, a Tier 1 Ratio of 10,50% and Total Capital Ratio 12,9% (including 0,75% P2G).

[2] Reclassifications and aggregations of the consolidated income statement concern the following:
- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (FRU and FRN) and the Deposit Protection Mechanism (DGS) 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.

- **Liquidity position, at 31 March 2024, is equal to approximately 2,5 billion Euro** in reserves and free assets that can be financed by the ECB (LCR above 2.600%).

Capital requirements

- **CET1 comes to 14,98% (14,87% at 31 December 2023)** and TCR to 17,43% (17,44% at 31 December 2023), calculated excluding the profit generated during the first quarter 2024.

Rome, 09 May 2024 – The Board of Directors of Banca Ifis met today under the **Chairmanship of Ernesto Fürstenberg Fassio** and approved the Q1 2024 results.

*"The results for the first quarter of 2024 confirm the Bank's ability to perform well even in the uncertain macroeconomic context we are currently experiencing. Profit growth was mainly driven by favourable revenue trends and low credit costs. In the first quarter of 2024, the factoring and leasing business, thanks to the tenacious work of our network, achieved growth rates above the reference markets and offset the increased cost of funding. Through a bond issue and an increase in customer deposits, we completed the funding for the repayment of the TLTRO and the bond maturing in June 2024 well in advance. We also continued to strengthen our hedging of the non-performing credit cost in line with the prudent credit policy that has always characterised the Bank. On the basis of this positive start to the year, we look optimistically forward to the following months of this final year of the Business Plan, continuing to stand by the Italian small and medium-sized enterprises that we support with our products and with the distinctive expertise of our people" **says Frederik Geertman, CEO of Banca Ifis**.*

***

The revenues of the Commercial & Corporate Banking Segment, up 1,6% compared with Q1 2023, reflect the dynamism of the Group's commercial network has allowed business to grow despite lower demand for credit due to higher interest rates and has allowed the Group to offset the increased cost of finance.

In the Npl Segment, cash recoveries on acquired portfolios amounted to 98 million Euro, up 1% on the first quarter of 2023. In addition to these, 14 million Euro were generated from assets on portfolios originated by Revalea S.p.A., for a total of 112 million Euro. To date, judicial and extrajudicial recovery activities do not show any significant negative impact from rising inflation and interest rates. Revalea's contribution, the acquisition of which was finalised on 31 October, after obtaining the necessary regulatory approvals, was in line with expectations.

At 3,86%, **the average cost of funding** in the first quarter of 2024 is up from 2,38% in the first quarter of 2023 and 3,67% in the fourth quarter of 2023. The liquidity position at 31 March 2024 was approximately 2,5 billion Euro, despite the redemption of 500 million Euro in TLTRO in December 2023 and an additional 750 million Euro in March 2024.

At end March, ahead of the September 2024 maturity date, the Bank has repaid 1.250 million Euro of TLTROs and has already completed well in advance all actions to repay the remaining 787 million Euro. In February, the Bank issued a 400 million Euro senior bond and increased retail funding by around 350 million Euro with a multi-channel strategy and targeted marketing campaigns.

Asset quality ratios, the Gross Npe Ratio and the Net Npe Ratio stand respectively at 5,7% and 3,3%. These figures would come in respectively at 4,7% and 2,2% excluding reclassifications resulting from the application of the New Definition of Default regulations to receivables from the National Health System (NHS), which are characterised by limited credit risk and long payment terms. The coverage of non-performing loans was continuously and further strengthened from 35% in 2022 to 43% in 2023 and 45% in the first quarter of 2024. In particular, the coverage of bad loans was increased from 69% in 2022 to 78% in 2023 and 79% in the first quarter of 2024 and that of unlikely to pay from 39% in 2022 to 44% in 2023 and 46% in the first quarter of 2024.

Capital ratios confirm the Group's great solidity. Both the main indicators remain well above the minimum required levels, with a consolidated CET1 Ratio of 14,98% (14,87% as at 31 December 2023) and a consolidated Total Capital Ratio of 17,43% (17,44% as at 31 December 2023), calculated excluding profits for the first quarter of 2024.

On 18 April 2024, the Shareholders' Meeting resolved to **distribute a balance dividend for 2023** for a total of 47 million Euro, equal to 0,9 Euro per outstanding share, gross of any legal withholdings, which will be paid with an ex-dividend date of 20 May 2024, a record date of 21 May 2024 and a payment date of 22 May 2024. On the occasion of the presentation of the results for the nine months of 2023, the Bank had resolved to distribute an interim dividend for 2023 in the amount of 63 million Euro, i.e. 1,2 Euro per outstanding share, gross of any withholding taxes. For the full year 2023, the Bank plans to distribute 110 million Euro in dividends, equivalent to 2,1 Euro per outstanding share, consistent with the new dividend policy approved last year.

***

Banca Ifis's commitment to the social agenda and to environmental sustainability and governance

During the quarter, the Bank continued its path of integrating sustainability initiatives within its business model, to which it linked a 7 million Euro investment plan - up from the 6 million Euro initially envisaged in the D.O.E.S. Business Plan. - to be executed in the three-year period 2022-2024. The numerous projects implemented during the period were also rated positively by MSCI, which in April raised the bank's ESG rating from A to AA.
Among the various social initiatives realised in the first quarter, Banca Ifis launched Ifis art, the project desired and conceived by the Chairman, Ernesto Fürstenberg Fassio, which brings together all the projects for the enhancement of art, culture, contemporary creativity and their values: from the art collection to the International Sculpture Park, from the project for the recovery of Banksy's work and the restoration of Palazzo San Pantalon which houses it, from the Economy of Beauty to the support of artistic and cultural events, from education programmes to publishing products. It is an articulated and unprecedented project that focuses on digital, to make art accessible also through innovative and alternative methods, the development of public-private partnerships, to support territories and communities, and support for young people to foster development and social inclusion through art.
Banca Ifis has also joined the Fondazione per l'Educazione Finanziaria e al Risparmio (FEduF), the foundation created by ABI to promote an aware and active economic citizenship through the dissemination of financial and economic knowledge. As part of its collaboration with FEduF, Banca Ifis will promote specific financial education courses aimed at young people.

Banca Ifis

PRESS RELEASE
Q1 2024 RESULTS

RECLASSIFIED DATA[3]

The Banca Ifis Group's consolidated income statement at 31 March 2024 reported a profit attributable to the Parent Company of 47,2 million Euro.

Highlights from the Banca Ifis Group's income statements for the first three months of 2024 are set out below.

Net banking income

Net banking income totalled 185,2 million Euro, up 5,4% from March 2023 (175,8 million Euro). Both net interest income, at 140,8 million Euro, and net commissions, at 23,1 million Euro, remain substantially stable. The other components of net banking income increase (+8,3 million Euro) compared to March 2023, mainly due to the increase in gains on the sale of financial assets at amortised cost (+6,3 million Euro), mostly related to debt securities, and the 3,5 million Euro increase in the contribution of financial assets at fair value through profit or loss, which included the capital gain on the sale of equity financial instruments resulting from a 5,9 million Euro debt restructuring of a Non-Core position. These positive effects of the other margin components were offset by the net negative result of hedging and trading activities in the amount of 1,6 million Euro.

Net credit risk losses

Net credit risk losses of 8,6 million Euro are down 1,4 million Euro compared to March 2023, the period in which 5,0 million Euro had been allocated for "management overlay" to take into account the macroeconomic context and the specificities of the Group's portfolio.

Operating costs

Operating costs totalled 102,1 million Euro, showing an increase on 31 March 2023 (+12,1%). The reclassified cost/income ratio totals 55,1%, showing growth compared with the March 2023 figure (51,8%).
Below are details of the item's main components:

- personnel expenses, amounting to 43,4 million Euro, record an increase of 9,3%, which can be attributed on the one hand to the growth in the number of resources in force at the reference date (the number of Group employees at 31 March 2024 was 1.968, including Revalea, compared to 1.883 resources at 31 March 2023) and on the other hand to the effects of the renewed national collective bargaining agreement (+1,8 million Euro);
- other administrative expenses amounted to 61,9 million Euro (+8,1 million Euro). This change is mainly attributable to the increase in costs related to the Npl Segment, both for the newly acquired Revalea (+4,4 million Euro) and in relation to the higher costs of recovering the Npl portfolio for 2,8 million Euro.

Charges related to the banking system

The item "Charges related to the banking system" included, as at 31 March 2023, an estimate of 5,9 million Euro for the last contribution under the Single Resolution Fund (SRF) accumulation plan.

[3] Reclassifications and aggregations of the consolidated income statement concern the following:
- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/expenses") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (FRU and FRN) and the Deposit Protection Mechanism (DGS) 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.

Net allocations to provisions for risks and charges

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

Net profit attributable to the Parent company

The net profit attributable to the Parent company amounts to 47,2 million Euro, up 2,7% on the same period of 2023.

Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the financial results at 31 March 2024.

Net income of the **Commercial & Corporate Banking Segment** comes to 22,6 million Euro, down 1,0 million Euro compared to 31 March 2023, mainly due to the increase in operating costs as detailed below based on the contribution of the individual Business Areas. The Segment's net banking income comes to 89,3 million Euro, up 1,4 million Euro compared to the same period of the previous year, thanks to the positive performance of the Factoring Area business units (+1,8 million Euro led by the Italy and International Branches). This result is determined by the growth in net interest income of 3,5 million Euro (+6,1%), net commissions (+0,8 million Euro, or +3,5%), the positive effect of which was partly offset by the 2,8 million Euro reduction in the result from other net banking income components, driven by lower fair value revaluations of securities in the Corporate Banking & Lending Area.

Net banking income derives from the combined effect of the various Areas of the Segment, as described below:

- the contribution of the ***Factoring Area*** amounts to 44,7 million Euro, an increase of 4,3% compared to the same period of last year. This result is due to the greater contribution of net interest income (up by 1,4 million Euro), while net commission income declines by 0,2 million Euro;
- net banking income from the ***Leasing Area*** amounts to 15,8 million Euro, an improvement of 0,5 million Euro compared with the figure at 31 March 2023. This increase is due to the higher contribution of net interest income of 0,3 million Euro and the higher commission margin of 0,3 million Euro;
- net banking income of the ***Corporate Banking & Lending Area*** came to 28,7 million Euro at 31 March 2024, down 0,9 million Euro on 31 March 2023 (-3,2%). The negative change is mainly a result of the following factors:
    - growth of 1,8 million Euro in net interest income (+10,3%), thanks to the positive contribution of the Corporate Banking division (and in particular of the Structured Finance business unit);
    - a 3,5 million Euro decrease in the contribution of other net banking income components attributable to the Corporate Banking division due to the lower contribution generated by the items measured at fair value of the Equity Investment segment, including UCITS funds and minority interests, on which the period recorded lower write-backs compared with the same period of the previous year.

Compared to the same period of the previous year, there are lower net value adjustments of 1,9 million Euro (-16,0%). The increase in operating costs of 3,4 million Euro compared to 31 March 2023 is mainly due to the rise in personnel expenses due to both the increase in headcount and greater costs connected with the renewed NCBA.

Profit of the **Npl Segment** at 31 March 2024 is 16,1 million Euro, down 3,0 million Euro compared with 31 March 2023.

The Segment's net banking income amounted to 74,3 million Euro, an increase of 4,8 million Euro compared to the result for the first quarter of 2023, concentrated in net interest income (+6,0 million Euro, also thanks to the contribution of interest on the portfolio owned by the newly acquired Revalea), while net commissions went from revenues of 0,8 million Euro as at 31 March 2023 to 0,3 million Euro as at 31 March 2024, a change entirely attributable to commissions paid by Revalea to third-party servicers.

Operating costs of 50,2 million Euro at 31 March 2024 are up 8,9 million Euro on the first three months of 2023. This increase is again partially due to higher personnel expenses of 1,9 million Euro due to both the increase in the workforce and higher costs related to the renewed NCBA, 3,5 million Euro due to the entry of Revalea (acquired in October 2023) into the consolidation scope as well as approximately 2,8 million Euro in higher amicable collection costs.

Profit for the **Governance & Services and Non-Core Segment** at 31 March 2024 is 8,5 million Euro, up 5,3 million Euro compared with the Q1 2023 result. Net banking income totals 21,7 million Euro, an increase of 3,2 million Euro compared to 31 March 2023. The Segment's performance in the period is attributable to the Non-Core division, which was characterised by higher results (+5,5 million Euro) following the sale of financial assets at fair value despite lower net interest income generated by the run-off portfolio (-2,5 million Euro). The Governance & Services unit ended the first quarter of 2024 at break-even, as the positive results of the Proprietary Finance business unit were fully offset by the increase in the cost of funding.

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

Operating costs come to 7,9 million Euro, down 1,4 million Euro on 31 March 2023, mainly due to the fact that one-off costs were incurred in specific Marketing & Communication activities for the Bank's 40th anniversary in 2023.

The item "Charges related to the banking system" included, as at 31 March 2023, an estimate of 5,9 million Euro for the last contribution under the Single Resolution Fund (SRF) accumulation plan.

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

The breakdown of the main statement of financial position items of the Banca Ifis Group at 31 March 2024 is shown below.

Receivables due from customers measured at amortised cost

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

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

Funding

Total funding at the end of March 2024 amounts to 11.338,9 million Euro, down 4,1% from 31 December 2023. Amounts due to customers represent 54,3% of the item (49,2% at 31 December 2023), followed by debt securities issued at 31,0% (27,8% at 31 December 2023), and payables due to banks at 14,7% (23,0% at 31 December 2023).
The Group's funding structure is as follows:

- 54,3% customers;
- 16,0% debt securities;
- 15,0% Asset Backed Securities (ABS);
- 7,2% TLTROs;
- 7,5% other.

Payables due to banks amount to 1,7 billion Euro, down 38,7% compared to the end-December 2023 figure, mainly as a result of the repayment of a tranche of TLTRO III lines for a nominal 750 million Euro and a reduction in repurchase agreements payable to banks of 246,0 million Euro.

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

Debt securities issued amount to 3,5 billion Euro as at 31 March 2024, up by 227,0 million Euro following the issue in February 2024 of a senior bond worth a nominal amount of 400 million Euro and having a term of five years (see the section "Significant events during the period" below) and the normal amortisation of the Group's securitisation securities (-147,3 million Euro compared to December 2023).

Equity and ratios[4]

Consolidated Equity totals 1.741,7 million Euro (1.693,7 million Euro at 31 December 2023). The main changes can be traced back to:

- the positive change relative to the period result attributable to the Parent company of 47,2 million Euro;
- the negative change related to reserves of 0,8 million Euro almost entirely associated with fair value changes recorded on securities valued at fair value through other comprehensive income (FVOCI);
- the positive change in Equity attributable to non-controlling interests for 0,5 million Euro, for the part share of the results accrued during the period by the subsidiary Banca Credifarma;
- other positive changes of 1,1 million Euro related to variable remuneration in shares and stock options granted to senior management.

As at 31 March 2024, the equity ratios for the Banca Ifis Group amount to a CET1 Ratio of 14,98%, a Tier 1 Ratio of 14,99% and a Total Capital Ratio of 17,43%.
Following the annual Supervisory Review and Evaluation Process (SREP) by the Bank of Italy, the new capital requirements to be met by the Group, at the consolidated level, for 2024 are as follows:

- CET1 Ratio of 8,00%, with a required minimum of 5,50%;
- Tier 1 Ratio of 9,90%, with a required minimum of 7,40%;
- Total Capital Ratio of 12,30%, with a required minimum of 9,80%.

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

- CET1 Ratio of 9,00%, consisting of an OCR CET1 ratio of 8,00% and a target component (Pillar 2 Guidance) of 1,00%;
- Tier 1 Ratio of 10,90%, consisting of an OCR Tier 1 Ratio of 9,90% and a target component of 1,00%;
- Total Capital Ratio of 13,30%, consisting of an OCR Total Capital Ratio of 12,30% and a target component of 1,00%.

See also the next section "Significant events occurred in the period".

At 31 March 2024, the Banca Ifis Group easily met the above prudential requirements.

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 "Press Releases" and the subsection of the "Investor Relations & Corporate Development" section of the institutional website www.bancaifis.it to view all press releases.

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

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

On 29 January 2024, the Banca Ifis Group received notice from the Bank of Italy of the conclusion of the periodic prudential review process ("SREP decision") conducted on the Group.
The Bank of Italy has identified the following capital requirements (equal to the sum of the Overall Capital Requirement and Pillar 2 Guidance) for 2024 on a consolidated basis:

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

[4] CET1, Tier 1 and Total Capital at 31 March 2024 do not include the profits generated by the Banking Group in the first three months of 2024.

Issue of a 400 million Euro bond maturing in 5 years

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

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

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

Significant subsequent events

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

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

- the Financial Statements as at 31 December 2023;
- the allocation of net profit, taking into account the exercise of the capitalisation option provided for by Article 26, paragraph 5-*bis* of Decree Law No. 104/2023 (converted with amendments by Law No. 136 of 9 October 2023), to the non-distributable reserve in the amount of 23.905.112 Euro (amount equal to two and a half times the tax calculated pursuant to the aforementioned Article 26 of Decree Law 104/2023);
- the distribution of a balance on the dividend for FY 2023 of 0,90 Euro, gross of withholding taxes, for each of the Banca Ifis shares issued and outstanding. This 2023 dividend balance will be paid with ex-dividend date 20 May 2024, record date of 21 May 2024 and payment date of 22 May 2024;
- Section I of the document "Report on Remuneration Policy and Remuneration Paid" prepared in accordance with Art. 123-*ter* of Legislative Decree No. 58/1998. The Shareholders' Meeting also resolved in favour of Section II of the aforementioned document relating to the implementation of remuneration policies during FY 2023;
- the proposal by the majority shareholder La Scogliera S.A. to appoint Nicola Borri as a new independent director, to replace the resigning director Sebastien Egon Fürstenberg, who, as honorary chairman, continues to participate in corporate and board life under the terms of the Articles of Association. Prof. Borri will remain in office until the natural expiry of the Board of Directors currently in office, i.e. until the Shareholders' Meeting called to approve the financial statements for FY 2024.

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

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

Reclassified Financial Statements and key balance sheet data

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

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring expenses and income";
- the ordinary and extraordinary charges introduced against the Group's banks (Banca Ifis and Banca Credifarma) under the Single and National Resolution Mechanisms (FRU and FRN) and the Deposit Protection Mechanism (DGS) 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.

Reclassified Consolidated Statement of Financial Position

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

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

Reclassified Consolidated Income Statement

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

Consolidated Own funds and capital adequacy ratios

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

(*) CET1, Tier 1 and Total Capital do not include the profits generated by the Banking Group in Q1 2024.
(**) CET1, Tier 1 and Total Capital include the profits accrued by the Banking Group at 31 December 2023, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

Rosalba Benedetto
Director Communication, Marketing, Public Affairs & Sustainability
Banca Ifis S.p.A.

Martino Da Rio
Head of Investor Relations & Corporate Development
Banca Ifis S.p.A.
+39 02 24129953

Davide Tammaro
Head of Brand, Corporate Communication & Sustainability
davide.tammaro@bancaifis.it
+39 366 6258525

Davide Pastore
Media Relations Manager
davide.pastore@bancaifis.it
+39 337 1115357

Fine Comunicato n.0147-24-2024	Numero di Pagine: 15