

Consolidated Half-Year Financial Report at 30 June 2025



Summary

Corporate Bodies	5
Interim Directors' report on the Group	9
<i>General aspects</i>	<i>11</i>
<i>Reclassified financial statements</i>	<i>12</i>
<i>Results by business Segment</i>	<i>15</i>
<i>Quarterly Evolution</i>	<i>18</i>
<i>APM - Alternative Performance Measures</i>	<i>19</i>
<i>Contribution of operating Segments to Group results</i>	<i>20</i>
<i>Banca Ifis shares</i>	<i>36</i>
<i>Voluntary totalitarian tender and exchange offer on all shares of illimity Bank</i>	<i>39</i>
<i>Significant events occurred in the period</i>	<i>43</i>
<i>Significant subsequent events</i>	<i>44</i>
<i>Information on international tensions</i>	<i>45</i>
<i>Business outlook</i>	<i>46</i>
<i>Other information</i>	<i>47</i>
Condensed consolidated half-year financial statements	55
<i>Consolidated Statement of Financial Position</i>	<i>57</i>
<i>Consolidated Income Statement</i>	<i>59</i>
<i>Consolidated Statement of Comprehensive Income</i>	<i>60</i>
<i>Statement of Changes in Consolidated Equity at 30 June 2025</i>	<i>61</i>
<i>Statement of Changes in Consolidated Equity at 30 June 2024</i>	<i>62</i>
<i>Consolidated Cash Flow Statement</i>	<i>63</i>
Notes	65
<i>Accounting policies</i>	<i>67</i>
<i>Group financials and income results</i>	<i>91</i>
<i>Information on Risks and Risk Management Policies</i>	<i>107</i>
<i>Related-party transactions</i>	<i>151</i>
<i>Share-based payments</i>	<i>154</i>
<i>Segment reporting</i>	<i>158</i>
Attestations and reports	163
<i>Certification of the Manager charged with preparing the Company's financial reports</i>	<i>165</i>
<i>Report of the Independent Auditors limited to the Condensed consolidated half-year financial statements</i>	<i>166</i>

Annexes	169
<i>Reconciliation between reclassified consolidated financial statements and consolidated financial statements</i>	<i>171</i>

2025

Consolidated Half-Year Financial Report
at 30 June 2025

Corporate Bodies

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

Chairman
Vice Chair
Chief Executive Officer
Directors

Honorary Chairman

Sebastien Egon Fürstenberg

Board of Directors

Ernesto Fürstenberg Fassio
Rosalba Benedetto
Frederik Herman Geertman ⁽¹⁾
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.

Chairman
Standing Auditors

Alternate Auditors

Co-General Managers

Board of Statutory Auditors

Andrea Balelli
Annunziata Melaccio
Franco Olivetti
Marinella Monterumisi
Emanuela Rollino

General Management

Fabio Lanza
Raffaele Zingone

Manager charged with preparing the the Company's financial reports

Massimo Luigi Zanaboni

Independent Auditors

PricewaterhouseCoopers S.p.A.

Parent company name: Banca Ifis S.p.A.
Reporting company's name: Banca Ifis S.p.A.
Ultimate Parent company name: 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
Registered and administrative office: Via Terraglio, 63 30174 Mestre - Venice (Italy)
Nature of reporting party's business: Credit business
Tax Code and Venice Companies Register Number: 02505630109
VAT No.: 04570150278
Enrolment in the Register of Banks No.: 5508



FCI Member

2025

Consolidated Half-Year Financial Report
at 30 June 2025

Interim Directors' report on the Group

General aspects

The Consolidated Half-Year Financial Report at 30 June 2022 consists of the Interim Directors' report on the Group and the Condensed Consolidated Half-Year Financial Statements; it is accompanied by the certification of the Manager charged with preparing the Company's financial reports.

The balance sheet and 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.

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 income and costs";
- 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 financial and balance sheet numerical of the Segments 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.

Reclassified financial statements

Reclassified Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	30.06.2025	31.12.2024
Cash and cash equivalents	409.630	505.016
Financial assets held for trading	13.884	12.069
Financial assets mandatorily measured at fair value through profit or loss	253.218	237.032
Financial assets measured at fair value through other comprehensive income	997.992	701.830
Receivables due from banks measured at amortised cost	718.669	703.763
Receivables due from customers measured at amortised cost	10.703.704	10.810.018
Hedging derivatives	14.633	7.404
Equity investments	24	24
Property, plant and equipment	192.496	166.665
Intangible assets	90.505	85.488
<i>of which:</i>		
- goodwill	38.020	38.020
Tax assets:	181.564	213.464
a) current	13.589	42.033
b) deferred	167.975	171.431
Non-current assets and disposal groups	4.677	-
Other assets	380.401	382.965
Total assets	13.961.397	13.825.738

LIABILITIES AND EQUITY (in thousands of Euro)	30.06.2025	31.12.2024
Payables due to banks	2.638.963	1.443.250
Payables due to customers	6.163.470	7.001.763
Debt securities issued	2.842.999	3.152.737
Financial liabilities held for trading	14.440	13.765
Hedging derivatives	16.494	14.868
Tax liabilities:	48.906	51.924
<i>a) current</i>	17.408	23.345
<i>b) deferred</i>	31.498	28.579
Other liabilities	384.671	339.377
Post-employment benefits	7.318	7.569
Provisions for risks and charges	45.111	52.339
Valuation reserves	(21.573)	(28.144)
Reserves	1.584.440	1.543.729
Interim dividends (-)	-	(63.084)
Share premiums	93.364	85.391
Share capital	53.811	53.811
Treasury shares (-)	(13.701)	(20.971)
Equity attributable to non-controlling interests (+/-)	15.566	15.836
Profit (loss) for the period (+/-)	87.118	161.578
Total liabilities and equity	13.961.397	13.825.738

Reclassified Consolidated Income Statement

ITEMS OF THE INCOME STATEMENT (in thousands of Euro)	30.06.2025	30.06.2024
Net interest income	242.510	287.363
Net commission income	44.354	46.909
Other components of net banking income	64.096	40.242
Net banking income	350.960	374.514
Net credit risk losses/reversals	(19.160)	(15.841)
Net profit (loss) from financial activities	331.800	358.673
Administrative expenses:	(204.344)	(210.800)
<i>a) personnel expenses</i>	<i>(85.097)</i>	<i>(86.613)</i>
<i>b) other administrative expenses</i>	<i>(119.247)</i>	<i>(124.187)</i>
Net impairment losses/reversals on property, plant and equipment and intangible assets	(13.628)	(10.820)
Other operating income/expenses	16.994	15.524
Operating costs	(200.978)	(206.096)
Charges related to the banking system	(21)	(8.096)
Net allocations to provisions for risks and charges	5.535	(706)
Non-recurring expenses and income	(9.561)	(320)
Pre-tax profit (loss) for the period from continuing operations	126.775	143.455
Income taxes for the period relating to continuing operations	(38.882)	(48.990)
Profit (loss) for the period	87.893	94.465
(Profit) loss for the period attributable to non-controlling interests	(775)	(851)
Profit (loss) for the period attributable to the Parent company	87.118	93.614

Consolidated Statement of Comprehensive Income

CONSOLIDATED COMPREHENSIVE INCOME (in thousands of Euro)	30.06.2025	30.06.2024
Profit (loss) for the period	87.893	94.465
Other comprehensive income, net of taxes, not to be reclassified to profit or loss	559	(2.666)
Other comprehensive income, net of taxes, to be reclassified to profit or loss	6.350	(3.033)
Comprehensive Income	94.802	88.766
Consolidated comprehensive income attributable to non-controlling interests	(775)	(852)
Consolidated comprehensive income attributable to the Parent company	94.027	87.914

Results by business Segment

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 30.06.2025	166.624	979	-	165.645	35.264	51.330	253.218
Amounts at 31.12.2024	143.933	975	-	142.958	36.293	56.806	237.032
% Change	15,8%	0,4%	-	15,9%	(2,8)%	(9,6)%	6,8%
Financial assets measured at fair value through other comprehensive income							
Amounts at 30.06.2025	927	-	-	927	-	997.065	997.992
Amounts at 31.12.2024	993	-	-	993	-	700.837	701.830
% Change	(6,6)%	-	-	(6,6)%	-	42,3%	42,2%
Receivables due from customers ⁽¹⁾							
Amounts at 30.06.2025	6.933.907	2.710.999	1.622.958	2.599.951	1.546.796	2.223.001	10.703.704
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	(0,7)%	(6,5)%	0,6%	5,2%	1,7%	(3,5)%	(1,0)%
Goodwill							
Amounts at 30.06.2025	-	-	-	-	38.020	-	38.020
Amounts at 31.12.2024	-	-	-	-	38.020	-	38.020
% Change	-	-	-	-	0,0%	-	0,0%
Other assets							
Amounts at 30.06.2025	115.531	115.531	-	-	-	264.870	380.401
Amounts at 31.12.2024	163.000	163.000	-	-	-	219.965	382.965
% Change	(29,1)%	(29,1)%	-	-	-	20,4%	(0,7)%

(1) In the Governance & Services and Non-Core Segment, at 30 June 2025, there are government securities amounting to 1.687,6 million Euro (1.579,0 million Euro at 31 December 2024).

The remaining balance sheet items, other than those shown in the above table, are allocated to the Governance & Services and Non-Core Segment, from which the corresponding economic items are reallocated to the other Segments, on a direct or indirect basis.

RECLASSIFIED INCOME STATEMENT DATA AT 30.06.2025 (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	108.880	49.731	26.301	32.848	140.729	(7.099)	242.510
Net commission income	45.975	29.361	5.950	10.664	(766)	(855)	44.354
Other components of net banking income	18.228	5	-	18.223	16.615	29.253	64.096
Net banking income	173.083	79.097	32.251	61.735	156.578	21.299	350.960
Net credit risk losses/reversals	(21.294)	269	(3.495)	(18.068)	12	2.122	(19.160)
Net profit (loss) from financial activities	151.789	79.366	28.756	43.667	156.590	23.421	331.800
Operating costs	(86.527)	(49.658)	(16.585)	(20.284)	(95.661)	(18.790)	(200.978)
Charges related to the banking system	-	-	-	-	-	(21)	(21)
Net allocations to provisions for risks and charges	3.946	4.098	91	(243)	(105)	1.694	5.535
Non-recurring expenses and income	-	-	-	-	-	(9.561)	(9.561)
Pre-tax profit (loss) for the period from continuing operations	69.208	33.806	12.262	23.140	60.824	(3.257)	126.775
Income taxes for the period relating to continuing operations	(21.226)	(10.369)	(3.761)	(7.096)	(18.654)	998	(38.882)
Profit (loss) for the period	47.982	23.437	8.501	16.044	42.170	(2.259)	87.893
(Profit) loss for the period attributable to non-controlling interests	-	-	-	-	-	(775)	(775)
Profit (loss) for the period attributable to the Parent company	47.982	23.437	8.501	16.044	42.170	(3.034)	87.118

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 30.06.2025	0,62%	(0,02)%	0,43%	1,44%	n.s.	(0,70)%
Amounts at 31.12.2024	0,61%	0,26%	0,29%	1,20%	n.s.	(0,41)%
% Change	0,01%	(0,28)%	0,14%	0,24%	n.s.	(0,29)%
Net bad loans/Receivables due from customers						
Amounts at 30.06.2025	0,4%	0,6%	0,0%	0,5%	n.s.	0,6%
Amounts at 31.12.2024	0,4%	0,4%	0,0%	0,7%	n.s.	0,2%
% Change	0,0%	0,2%	0,0%	(0,2)%	n.s.	0,4%
Coverage ratio on gross bad loans						
Amounts at 30.06.2025	71,5%	77,1%	93,9%	39,3%	n.s.	41,5%
Amounts at 31.12.2024	74,0%	83,3%	94,2%	47,2%	n.s.	53,1%
% Change	(2,5)%	(6,2)%	(0,3)%	(7,9)%	n.s.	(11,6)%
Net non-performing exposures/Net receivables due from customers						
Amounts at 30.06.2025	2,8%	2,8%	0,9%	3,9%	n.s.	2,2%
Amounts at 31.12.2024	2,8%	2,7%	0,8%	4,1%	n.s.	1,3%
% Change	0,0%	0,1%	0,1%	(0,2)%	n.s.	0,9%
Gross non-performing exposures/Gross receivables due from customers						
Amounts at 30.06.2025	5,2%	6,2%	2,2%	6,1%	n.s.	3,2%
Amounts at 31.12.2024	5,3%	5,9%	2,2%	6,6%	n.s.	2,0%
% Change	(0,1)%	0,3%	0,0%	(0,5)%	n.s.	1,2%
RWA ⁽³⁾						
Amounts at 30.06.2025	6.046.876	2.752.866	1.238.605	2.055.405	1.755.876	1.115.959
Amounts at 31.12.2024	5.769.725	2.729.714	1.200.451	1.839.560	1.733.692	1.171.961
% Change	4,8%	0,8%	3,2%	11,7%	1,3%	(4,8)%

(1) In the Governance & Services and Non-Core Segment, at 30 June 2025, there are government securities amounting to 1.687,6 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.

Quarterly Evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2025		YEAR 2024			
	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income	111.756	130.754	128.106	117.036	146.605	140.758
Net commission income	23.829	20.525	22.209	22.657	23.835	23.074
Other components of net banking income	36.582	27.514	17.001	17.629	18.836	21.406
Net banking income	172.167	178.793	167.316	157.322	189.276	185.238
Net credit risk losses/reversals	(10.991)	(8.169)	(8.795)	(13.034)	(7.252)	(8.589)
Net profit (loss) from financial activities	161.176	170.624	158.521	144.288	182.024	176.649
Personnel expenses	(42.917)	(42.180)	(42.617)	(40.622)	(43.217)	(43.396)
Other administrative expenses	(61.952)	(57.295)	(69.975)	(53.376)	(62.246)	(61.941)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(7.183)	(6.445)	(6.257)	(6.199)	(5.646)	(5.174)
Other operating income/expenses	8.612	8.382	11.597	6.629	7.133	8.391
Operating costs	(103.440)	(97.538)	(107.252)	(93.568)	(103.976)	(102.120)
Charges related to the banking system	(11)	(10)	(15)	(25)	(8.087)	(9)
Net allocations to provisions for risks and charges	5.398	137	87	141	1.443	(2.149)
Non-recurring expenses and income	(5.137)	(4.424)	(54)	(236)	(280)	(40)
Pre-tax profit (loss) for the period from continuing operations	57.986	68.789	51.287	50.600	71.124	72.331
Income taxes for the period relating to continuing operations	(17.784)	(21.098)	(15.898)	(17.280)	(24.289)	(24.701)
Profit (loss) for the period	40.202	47.691	35.389	33.320	46.835	47.630
(Profit) loss for the period attributable to non-controlling interests	(368)	(407)	(379)	(366)	(397)	(454)
Profit (loss) for the period attributable to the Parent company	39.834	47.284	35.010	32.954	46.438	47.176

APM - Alternative Performance Measures

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

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

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

- these measures are based exclusively on the Group's historical data and are not indicative of the Group's future performance;
- APMs are non-IFRS measures and, although they are derived from the Group's Condensed consolidated half-year financial statements, they are not audited;
- APMs are not intended as a substitute for IFRS measures;
- said APMs shall be considered in conjunction with the Group's financial information derived from its Condensed consolidated half-year financial statements;
- since these are non-IFRS measures, the definitions of the measures used by the Group may differ from, and therefore not be comparable to, those used by other companies/groups;
- the APMs used by the Group are consistent across all reporting periods for which the Group has disclosed financial information in these Condensed consolidated half-year financial statements at 30 June 2025.

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

Reclassified cost/income ratio (in thousands of Euro)	30.06.2025	30.06.2024
A. Operating costs	200.978	206.096
B. Net banking income	350.960	374.514
Reclassified cost/income ratio (A/B)	57,3%	55,0%

Price/book value per share	30.06.2025	31.12.2024
A. Share price at period-end	22,70	21,18
B. Equity attributable to the Parent company per share	33,60	32,95
Price/book value per share (A/B) euro	0,68	0,64

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 business segments to forming the Group's economic result.

Identification of the business 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;
- 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 financial and balance sheet numerical of the Segments 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 unit dedicated to investments in non-financial companies and in units of intermediaries;
 - Lending, a sector 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 30 June 2025.

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	108.880	121.343	(12.463)	(10,3)%
Net commission income	45.975	49.024	(3.049)	(6,2)%
Other components of net banking income	18.228	6.124	12.104	197,6%
Net banking income	173.083	176.491	(3.408)	(1,9)%
Net credit risk losses/reversals	(21.294)	(18.945)	(2.349)	12,4%
Net profit (loss) from financial activities	151.789	157.546	(5.757)	(3,7)%
Operating costs	(86.527)	(88.280)	1.753	(2,0)%
Net allocations to provisions for risks and charges	3.946	(3.996)	7.942	n.a.
Pre-tax profit (loss) for the period from continuing operations	69.208	65.270	3.938	6,0%
Income taxes for the period relating to continuing operations	(21.226)	(22.289)	1.063	(4,8)%
Profit (loss) for the period	47.982	42.981	5.001	11,6%

Net profit of the Commercial & Corporate Banking Segment comes to 48,0 million Euro, up 5,0 million Euro compared to 30 June 2024, mainly due to the improvement in "net allocations to provisions for risks and charges" for 7,9 million Euro and lesser operating costs for 1,8 million Euro, the effects of which were partly offset by the reduction in net banking income for 3,4 million Euro and higher net value adjustments for 2,3 million Euro.

The Segment's net banking income amounts to 173,1 million Euro, down 1,9% compared to the same period of the previous year as a result of the reduction in the contribution of the Factoring Area (-10,7 million Euro), partially offset by the positive performance of the Corporate Banking & Lending Area (+5,8 million Euro) and the Leasing Area (+1,5 million Euro). Overall, against the reduction in net interest income (-12,5 million Euro) and net commissions (-3,0 million Euro), the other components of net banking income grew significantly by 12,1 million Euro, thanks mainly to the contribution of the Corporate Banking & Lending Area.

As at 30 June 2025, the Segment records net credit risk losses of 21,3 million Euro, up 12,4% compared to the same period of the previous year due to higher provisions allocated in the first half of 2025 for the deterioration of credit quality on some specific positions in the Corporate Banking & Lending Area.

Operating costs amount to 86,5 million Euro at 30 June 2025, showing a reduction of 2,0% compared with the same period of the previous year. This result is mainly due to higher income of approximately 4 million Euro, related to the recovery of late payment expenses from customers belonging to the Public Administration, only partially offset by higher amortisation on new software developments that came into use in the first half of 2025.

"Net allocations to provisions for risks and charges" at 30 June 2025 post net releases of 3,9 million Euro, mainly associated with the positive resolution of a dispute linked to the Factoring Area. The figure is down from net allocations to provisions of 4,0 million Euro at 30 June 2024 (which mainly related to provisions to cover risks connected with outstanding disputes on tax credits for superbonus and other building tax bonuses).

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

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

COMMERCIAL & CORPORATE BANKING (in thousands of Euro)	BAD LOANS	UNLIKELY TO PAY	PAST DUE EXPOSURES	TOTAL NON-PERFORMING (STAGE 3)	PERFORMING EXPOSURES (STAGES 1 AND 2)	TOTAL LOANS
POSITION AT 30.06.2025						
Nominal amount	106.640	220.348	49.887	376.876	6.807.078	7.183.953
Losses	(76.272)	(104.301)	(5.552)	(186.125)	(63.921)	(250.046)
Carrying amount	30.369	116.047	44.335	190.750	6.743.157	6.933.907
Coverage ratio	71,5%	47,3%	11,1%	49,4%	0,9%	3,5%
Gross ratio	1,5%	3,1%	0,7%	5,2%	94,8%	100,0%
Net ratio	0,4%	1,7%	0,6%	2,8%	97,2%	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 190,8 million Euro at 30 June 2025, down 3,0 million Euro on 31 December 2024 (193,8 million Euro). The trend is mainly attributable to a decrease in exposures classified as past due of 7,9 million Euro (almost entirely attributable to the Factoring Area), the effect of which was partially offset by the increase in the period of 5,4 million Euro of unlikely to pay (mainly relating to exposures of the Corporate Banking & Lending Area).

The coverage ratio of the impaired portfolio is 49,4% at 30 June 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 10,2 million Euro at 30 June 2025, as compared with the 8,7 million Euro recorded at 31 December 2024, of which 6,1 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	
	30.06.2025	31.12.2024	ABSOLUTE	%
Credit cost ⁽¹⁾	0,62%	0,61%	n.a.	0,01%
Net impaired assets/ Net receivables due from customers	2,8%	2,8%	n.a.	0,0%
Gross impaired assets/ Gross receivables due from customers	5,2%	5,3%	n.a.	(0,1)%
RWA ⁽²⁾	6.046.876	5.769.725	277.151	4,8%

(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.

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 HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	49.731	57.441	(7.709)	(13,4)%
Net commission income	29.361	32.342	(2.981)	(9,2)%
Other components of net banking income	5	17	(12)	(70,6)%
Net banking income	79.097	89.800	(10.703)	(11,9)%
Net credit risk losses/reversals	269	(9.158)	9.427	n.s.
Net profit (loss) from financial activities	79.366	80.642	(1.276)	(1,6)%
Operating costs	(49.658)	(50.246)	588	(1,2)%
Net allocations to provisions for risks and charges	4.098	(8.359)	12.457	n.s.
Pre-tax profit (loss) for the period from continuing operations	33.806	22.037	11.769	53,4%
Income taxes for the period relating to continuing operations	(10.369)	(7.698)	(2.671)	34,7%
Profit (loss) for the period	23.437	14.339	9.098	63,4%

As at 30 June 2025, the contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment comes to 79,1 million Euro, down 11,9% on the results of the same period of last year. This result is due to the lesser contribution of net interest income (-7,7 million Euro) and net commission income (-3,0 million Euro). Turnover for the first six months of 2025 amounts to 6,4 billion Euro, in line with the figure at 30 June 2024, while total loans amount to 3,5 billion Euro and are down by 0,2 billion Euro compared to the corresponding figures for the same period last year.

Net write-backs for credit risk amount to 0,3 million Euro at 30 June 2025, compared to net write-downs of 9,2 million Euro at 30 June 2024, due to the recording in the first half of 2025 of lower provisions on the impaired portfolio and write-backs on specific non-performing positions.

Therefore, net profit from financial activities amounts to 79,4 million Euro (-1,6% on 30 June 2024).

Operating costs of 49,7 million Euro at 30 June 2025 are down 0,6 million Euro compared to 30 June 2024. This reduction is mainly due, as previously mentioned, to higher income of approximately 4 million Euro related to the recovery of late payment expenses from customers belonging to the Public Administration, only partially offset by

higher amortisation following the commissioning in the first half of 2025 of investments in new software developments.

The item "net allocations to provisions for risks and charges" shows net releases at 30 June 2025 of 4,1 million Euro, a significant improvement compared to the net allocations to provisions of 8,4 million Euro at 30 June 2024 (which were attributable to the aforementioned provisions to cover risks related to outstanding disputes on tax credits for superbonus and other building tax bonuses). As mentioned previously, this improvement essentially relates to releases in the first six months of 2025 due to the successful resolution of existing disputes.

As regards the main equity aspects, at 30 June 2025 total net commitments for the Area amount to 2.711,0 million Euro, down 6,5% on the figure at 31 December 2024, mainly due to the decrease of net performing exposures (-186,0 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 30.06.2025						
Nominal amount	76.585	73.943	23.921	174.450	2.650.567	2.825.017
Losses	(59.027)	(39.518)	(970)	(99.514)	(14.504)	(114.018)
Carrying amount	17.559	34.426	22.952	74.936	2.636.063	2.710.999
Coverage ratio	77,1%	53,4%	4,1%	57,0%	0,5%	4,0%
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 74,9 million Euro, down 4,0% from the 31 December 2024 figure, mainly due to the decrease in past due (-7,8 million Euro) positions, only partly offset by the increase in non-performing exposures. In overall terms, the coverage of impaired exposures increases from 56,5% to 57,0%, mainly due to these changes in terms of the proportion of bad loans and past due positions to total non-performing loans.

KPIs	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Credit cost ⁽¹⁾	(0,02)%	0,26%	n.a.	(0,28)%
Net impaired assets/ Net receivables due from customers	2,8%	2,7%	n.a.	0,1%
Gross impaired assets/ Gross receivables due from customers	6,2%	5,9%	n.a.	0,3%
RWA ⁽²⁾	2.752.866	2.729.714	23.152	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 essentially nil at 30 June 2025 as a result of the aforementioned economic dynamics in the first half of 2025.

It should be noted that net non-performing exposures include a total of 23,9 million Euro in respect of the NHS, down 5,3 million Euro compared with 31 December 2024.

Leasing Area

RECLASSIFIED INCOME STATEMENT DATA (in thousands of Euro)	FIRST HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	26.301	25.139	1.162	4,6%
Net commission income	5.950	5.634	316	5,6%
Net banking income	32.251	30.773	1.478	4,8%
Net credit risk losses/reversals	(3.495)	(3.750)	255	(6,8)%
Net profit (loss) from financial activities	28.756	27.023	1.733	6,4%
Operating costs	(16.585)	(18.456)	1.871	(10,1)%
Net allocations to provisions for risks and charges	91	116	(25)	(21,6)%
Pre-tax profit (loss) for the period from continuing operations	12.262	8.683	3.579	41,2%
Income taxes for the period relating to continuing operations	(3.761)	(2.966)	(795)	26,8%
Profit (loss) for the period	8.501	5.717	2.784	48,7%

Net banking income from the Leasing Area amounts to 32,3 million Euro, an increase of 1,5 million Euro compared with the figure at 30 June 2024 (+4,8%) due to the higher commercial volumes.

Net credit risk losses amount to 3,5 million Euro, down 0,3 million Euro compared to the figure at 30 June 2024.

Operating costs total 16,6 million Euro, showing a decrease of 1,9 million Euro compared with 30 June 2024, mainly due to lower indirect taxes, higher other income from customers and lower ICT project expenses, which in 2024 were characterised by a significant effort in the first part of the year compared to the projects planned for the current year.

As at 30 June 2025, the Area's total net loans amount to 1.623,0 million Euro, 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.

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 30.06.2025						
Nominal amount	9.956	17.463	9.846	37.265	1.622.044	1.659.309
Losses	(9.346)	(11.206)	(2.876)	(23.428)	(12.923)	(36.351)
Carrying amount	610	6.257	6.970	13.837	1.609.121	1.622.958
Coverage ratio	93,9%	64,2%	29,2%	62,9%	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 impaired exposures amount to 13,8 million Euro at 30 June 2025, an increase of 0,5 million Euro compared to December 2024 mainly due to the increase in the period for past due positions. The coverage ratio of impaired assets rose from 63,2% in December 2024 to 62,9% in June 2025 (mainly due to the aforementioned increase in the incidence of past due loans on the total impaired portfolio), while the coverage of performing loans is stable compared to the 31 December 2024 figure of 0,8%.

KPIs	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Credit cost ⁽¹⁾	0,43%	0,29%	n.a.	0,14%
Net impaired assets/ Net receivables due from customers	0,9%	0,8%	n.a.	0,1%
Gross impaired assets/ Gross receivables due from customers	2,2%	2,2%	n.a.	0,0%
RWA ⁽²⁾	1.238.605	1.200.451	38.154	3,2%

(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 HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	32.848	38.763	(5.915)	(15,3)%
Net commission income	10.664	11.048	(384)	(3,5)%
Other components of net banking income	18.223	6.107	12.116	198,4%
Net banking income	61.735	55.918	5.817	10,4%
Net credit risk losses/reversals	(18.068)	(6.037)	(12.031)	199,3%
Net profit (loss) from financial activities	43.667	49.881	(6.214)	(12,5)%
Operating costs	(20.284)	(19.578)	(706)	3,6%
Net allocations to provisions for risks and charges	(243)	4.247	(4.490)	n.s.
Pre-tax profit (loss) for the period from continuing operations	23.140	34.550	(11.410)	(33,0)%
Income taxes for the period relating to continuing operations	(7.096)	(11.625)	4.529	(39,0)%
Profit (loss) for the period	16.044	22.925	(6.881)	(30,0)%

Net banking income of the Corporate Banking & Lending Area comes to 61,7 million Euro at 30 June 2025, up 5,8 million Euro on 30 June 2024 (+10,4%). The positive change is a result of the combined effect of the following factors:

- reduction in net interest income of 5,9 million Euro, due to the lesser contribution of the Corporate Banking unit of 2,2 million Euro and the lower contribution of the Lending division of 3,7 million Euro;
- lower net commission income of 0,4 million Euro, mainly from the Corporate Banking unit;
- significant increase in the contribution of the other components of net banking income, amounting to 12,1 million Euro at 30 June 2025, mainly represented by the period write-back of the fair value of securities in the Corporate Banking division.

Net credit risk losses amount to 18,1 million Euro, up 12,0 million Euro compared to 30 June 2024. This increase is due to higher provisions set aside during the period for the deterioration of credit quality on certain specific positions.

The increase in operating costs of 0,7 million Euro compared to 30 June 2024 is mainly attributable to higher legal expenses and lower customer claims related to the subsidiary Banca Credifarma.

Net allocations to provisions made for risks and charges for the period amount to 0,2 million Euro. The comparison with the comparative figure is very much impacted by net releases of 4,2 million Euro in the first six months of 2024, which related to the settlement of disputes arising from the acquisition of the former Aigis Banca business unit.

As at 30 June 2025, the Area's total net receivables due from customers amounts to 2.600,0 million Euro, up 127,4 million Euro on 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 30.06.2025						
Nominal amount	20.099	128.942	16.119	165.161	2.534.467	2.699.628
Losses	(7.899)	(53.578)	(1.707)	(63.183)	(36.494)	(99.677)
Carrying amount	12.200	75.365	14.413	101.977	2.497.973	2.599.951
Coverage ratio	39,3%	41,6%	10,6%	38,3%	1,4%	3,7%
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 impaired exposures at 30 June 2025, 102,0 million Euro, is in line with the value at year-end 2024, as the increase in probable defaults during the period (+5,9 million Euro) was substantially offset by the decrease in non-performing loans and non-performing past due exposures. The coverage of non-performing loans decreases from 39,3% in December 2024 to 38,3% in June 2025 due to the lesser incidence within the Area's impaired portfolio of positions classified as non-performing compared with the situation at end 2024.

KPIs	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Credit cost ⁽¹⁾	1,44%	1,20%	n.a.	0,24%
Net impaired assets/ Net receivables due from customers	3,9%	4,1%	n.a.	(0,2)%
Gross impaired assets/ Gross receivables due from customers	6,1%	6,6%	n.a.	(0,5)%
RWA ⁽²⁾	2.055.405	1.839.560	215.845	11,7%

(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 93,5 million Euro and other components of the net interest income from cash flow changes for 65,8 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)	OUTSTAND-ING NOMINAL AMOUNT	CARRYING AMOUNTS	CARRYING AMNT / RES. NOM. AMNT	INTEREST ON INCOME STATEMENT	ERC
Cost	563.354	107.117	19,0%	-	10.671
Non-judicial	10.368.690	478.503	4,6%	51.008	798.569
<i>of which: Collective (curves)</i>	9.803.964	184.719	1,9%	(4.274)	327.951
<i>of which: Plans</i>	564.726	293.784	52,0%	55.282	470.618
Judicial	8.057.752	948.006	11,8%	108.270	1.832.154
<i>of which: Other positions undergoing judicial processing</i>	2.172.693	140.709	6,5%	-	315.404
<i>of which: Writs, Property Attachments, Garnishment Orders</i>	2.133.127	653.975	30,7%	94.453	1.301.348
<i>of which: Secured and Corporate</i>	3.751.932	153.322	4,1%	13.817	215.402
Total	18.989.796	1.533.626	8,1%	159.278	2.641.394

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 (107,1 million Euro at 30 June 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 "mass management" and at 30 June 2025 come to 184,7 million Euro as compared with 165,5 million Euro at 31 December 2024 (up 11,6%). Practices on which a realignment plan has been agreed and formalised come in at 293,8 million Euro at 30 June 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 140,7 million Euro at 30 June 2025; practices in phases of writ, attachment order and garnishment order are allocated to a specific basin, coming in at 654,0 million Euro. The judicial management basin include all "Secured and Corporate" positions of corporate banking origin or real estate, equal to 153,3 million Euro at 30 June 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 HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	140.729	153.618	(12.889)	(8,4)%
Net commission income	(766)	(416)	(350)	84,1%
Other components of net banking income	16.615	7.110	9.505	133,7%
- of which: Gains (losses) on the disposal of financial assets	17.292	6.312	10.980	174,0%
Net banking income	156.578	160.312	(3.734)	(2,3)%
Net credit risk losses/reversals	12	124	(112)	(90,3)%
Net profit (loss) from financial activities	156.590	160.436	(3.846)	(2,4)%
Operating costs	(95.661)	(98.408)	2.747	(2,8)%
Net allocations to provisions for risks and charges	(105)	1.757	(1.862)	n.s.
Non-recurring expenses and income	-	(320)	320	(100,0)%
Pre-tax profit (loss) for the period from continuing operations	60.824	63.465	(2.641)	(4,2)%
Income taxes for the period relating to continuing operations	(18.654)	(21.673)	3.019	(13,9)%
Profit (loss) for the period	42.170	41.792	378	0,9%

Net interest income, which comes to 140,7 million Euro (down 12,9 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 86,0 million Euro at 30 June 2024 to 93,3 million Euro at 30 June 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 1,8 million Euro at 30 June 2025, a reduction on the 3,6 million Euro recorded in the first half of 2024;
- other components of net interest income from change in cash flow, which change from 67,3 million Euro of 30 June 2024 to 66,0 million Euro at 30 June 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 15,4 million Euro, to which recovery plans contributed 34,2 million Euro, partly offset by the negative effect of curve models totalling 18,8 million Euro. On the other hand, are legal expenses of 50,6 million Euro, following actions for injunction, attachment and garnishment orders;
- interest expense of 20,4 million Euro, down 1,7 million Euro on the balance recorded for the same period of the previous year.

Net commissions represent a cost of 0,8 million Euro at 30 June 2025, a rise compared to the cost of 0,4 million Euro at 30 June 2024.

In the first half of 2025, disposals of Npl and debt securities portfolios were realised, in line with the Group's policy, from which net gains on disposal amount to 17,3 million Euro, up 11,0 million Euro compared with 30 June 2024.

In view of the above, the Npl Segment's net banking income comes to a total of 156,6 million Euro, down 3,7 million Euro compared with 30 June 2024.

The item "net credit risk losses/reversals" of the Npl Segment is exclusively related to the change in the allowance for impairment losses on securities and loans related to securitisation transactions with underlying non-performing loans.

Operating costs of 95,7 million Euro at 30 June 2025 are down 2,7 million Euro compared to 30 June 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 42,2 million Euro, essentially in line with 30 June 2024.

Below is the breakdown of net loans by credit quality.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Net bad loans	1.177.073	1.184.378	(7.305)	(0,6)%
Net unlikely to pay	344.442	308.540	35.902	11,6%
Net non-performing past due exposures	3.695	3.837	(142)	(3,7)%
Total net non-performing exposures to customers (Stage 3)	1.525.210	1.496.755	28.455	1,9%
Total net performing exposures (Stages 1 and 2)	21.586	24.246	(2.660)	(11,0)%
- of which: proprietary loans acquired	8.416	10.666	(2.250)	(21,1)%
- of which: loans disbursed	396	533	(137)	(25,7)%
- of which: debt securities	10.458	11.602	(1.144)	(9,9)%
- of which: receivables related to servicer activities	2.316	1.445	871	60,3%
Total on-balance-sheet receivables due from customers	1.546.796	1.521.001	25.795	1,7%
- of which: owned receivables acquired measured at amortised cost	1.533.626	1.507.421	26.205	1,7%

As regards the Npl Segment loans, 1.533,6 million Euro are represented by receivables classified as POCI - Purchased or originated credit-impaired -, the category envisaged by the accounting standard IFRS 9. These are loans that were non-performing at the date they were acquired or originated. These receivables represent the Segment's core business. Excluded from this classification are new disbursements of performing loans, debt securities measured at amortised cost, and receivables related to servicer activities on behalf of third parties.

KPIs	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Nominal amount of receivables managed	18.989.796	21.605.929	(2.616.133)	(12,1)%
RWA ⁽¹⁾	1.755.876	1.733.692	22.184	1,3%

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

Total Estimated Remaining Collections (ERC) amount to 2,6 billion Euro.

NPL SEGMENT NON-PERFORMING LOAN PORTFOLIO PERFORMANCE	30.06.2025	31.12.2024
Opening loan portfolio	1.507.421	1.629.215
Purchases (+)	75.933	18.032
Sales (-)	(31.897)	(49.588)
Gains (losses) on disposals (+/-)	17.321	16.068
Interest income from amortised cost (+)	93.269	185.126
Other components of interest from change in cash flow (+)	66.027	130.487
Collections (-)	(194.448)	(421.919)
Closing loan portfolio	1.533.626	1.507.421

Total purchases in the first half of 2025 come to 75,9 million Euro, a significant increase on the 6,1 million Euro recorded at 30 June 2024. During the first half of 2025, sales of Npls were completed for a total price of 31,9 million Euro, which generated net profits of 17,3 million Euro.

As at 30 June 2025, the portfolio managed by the Npl Segment includes 1.901.416 positions, for a nominal amount of 19,0 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 business 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 HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	(7.099)	12.402	(19.501)	(157,2)%
Net commission income	(855)	(1.699)	844	(49,7)%
Other components of net banking income	29.253	27.008	2.245	8,3%
Net banking income	21.299	37.711	(16.412)	(43,5)%
Net credit risk losses/reversals	2.122	2.980	(858)	(28,8)%
Net profit (loss) from financial activities	23.421	40.691	(17.270)	(42,4)%
Operating costs	(18.790)	(19.408)	618	(3,2)%
Charges related to the banking system	(21)	(8.096)	8.075	(99,8)%
Net allocations to provisions for risks and charges	1.694	1.533	161	10,5%
Non-recurring expenses and income	(9.561)	-	(9.561)	n.a.
Pre-tax profit (loss) for the period from continuing operations	(3.257)	14.720	(17.977)	(122,1)%
Income taxes for the period relating to continuing operations	998	(5.028)	6.026	(119,8)%
Profit (loss) for the period	(2.259)	9.692	(11.951)	(123,3)%
(Profit) loss for the period attributable to non-controlling interests	(775)	(851)	76	(8,9)%
Profit (loss) for the period attributable to the Parent company	(3.034)	8.841	(11.875)	(134,3)%

The Segment's net banking income amounts to 21,3 million Euro, down 16,4 million Euro compared to 30 June 2024 and is determined in particular by the following dynamics:

- net interest income is negative for 7,1 million Euro, decreasing by 19,5 million Euro compared with 30 June 2024. The negative change is due for 15,3 million Euro to the lower treasury side margin, while the remaining change of 4,2 million Euro is mainly attributable to the lower net interest income of the Non-Core run-off portfolio;
- other components of net banking income have increased by 2,2 million Euro. The positive change is mainly due to the improved performance recorded on the Group's proprietary portfolio, where the positive effect of higher dividends and similar income of 7,6 million Euro and higher gains on the divestment of bond positions of 2,3 million Euro was only partially offset by lower trading gains of 3,5 million Euro and the lower contribution of 4,0 million Euro from the fair value measurement of financial assets in the Non-Core business (which, however, in the first half of 2024 had been characterised by a divestment of an equity financial instrument with a capital gain of 6,0 million Euro).

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 62,7 million Euro, 2,0 million Euro higher than the same period of last year. The increase stems from two combined effects: the increase in average rates offered from 2,9% in

the first half of 2024 to 3,1% in the first half of 2025, and the reduction in average assets under management from 4.142 million Euro in the first half of 2024 to 4.242 million Euro at 30 June 2025.

As at 30 June 2025, the carrying amount of the bonds issued by Banca Ifis is 1.515,0 million Euro, broadly in line with the figure at 31 December 2024 (1.507,3 million Euro). Interest expenses accrued in the first half on total issues amount to 47,5 million Euro.

Funding through securitisations, amounting to 1.328,0 million Euro at 30 June 2025, is down by 317,4 million Euro compared to the figure at 31 December 2024, mainly following the purchase by the Parent company Banca Ifis of all the senior securities of the Emma securitisation for 220,8 million Euro, previously subscribed by Duomo Funding Plc (for more details, refer to the specific "Liquidity risk" paragraph within the "Prudential consolidation risks" section of the Notes to the Financial Statements), and the normal amortisation of the Group's other securitisation securities (-96,6 million Euro compared to December 2024). Securitisation funding at 30 June 2025 consists of:

- securities issued by the SPV ABCP Programme for 927,8 million Euro relating to the senior tranche;
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche.

Accrued interest expense drops from 42,4 million Euro at 30 June 2024 to 26,2 million Euro at 30 June 2025 due to the change in the market curves to which they are index-linked and to the above-specified buy-back by Banca Ifis of Emma securitisations previously listed with third parties.

In all, the average funding cost at 30 June 2025 stands at 3,43%, down from the figure of 3,90% for the average of the first half of 2024.

With regard to the credit cost, the figure at 30 June 2025 shows net write-backs of 2,1 million Euro, a reduction of 0,9 million Euro compared to 30 June 2024, essentially due to the positive restructuring of an individually significant position.

Operating costs amount to 18,8 million Euro, a decrease of 0,6 million Euro compared to 30 June 2024, linked to a slowdown in some consulting expenses as well as in ICT, also as a consequence of the voluntary takeover offer on all the shares of illimity Bank made during the first half of 2025.

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 21 thousand Euro. The balance compared with 30 June 2024 was 8,1 million Euro, insofar as it referred to the cost of the annual contribution to the Interbank Deposit Protection Fund ("FITD"), of which 7,9 million Euro relates to Banca Ifis and the remainder to Banca Credifarma.

The item "Net allocations to provisions for risks and charges" has net write-backs for 1,7 million Euro in the first six months of 2025, mainly due to the Solidarity Fund of the Parent company Banca Ifis, showing an improvement compared to the net releases of 1,5 million Euro at 30 June 2024 (which mainly related to allocations for contractual guarantees given on transferred positions).

The item "Non-recurring charges and income" shows a net negative balance of 9,6 million Euro at 30 June 2025 and refers to non-recurring operating costs pertaining to the first half of 2025 mainly related to the voluntary takeover bid on all the shares of illimity Bank, submitted by Banca Ifis in January 2025 and successfully completed (for more details see the section "Voluntary takeover offer on all shares of illimity Bank" of the Interim Directors' report on the Group).

As a result of the above trends, the period result of the Governance & Services and Non-Core Segment amounts to a loss of 2,3 million Euro, down from the profit of 9,7 million Euro (-12,0 million Euro) at 30 June 2024. Excluding the profit attributable to minority interests, the Segment's contribution to the profit attributable to the Parent company amounts to a negative 3,0 million Euro.

As regards equity figures, at 30 June 2025, total net receivables for the Segment amount to 2.223,0 million Euro, down 80,4 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: 5,5 million Euro at 30 June 2025, down 0,2 million Euro on the figure recorded at 31 December 2024;
- net performing exposures: 10,9 million Euro at 30 June 2025, down 0,3 million Euro on the figure recorded at 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 30.06.2025						
Nominal amount	20.936	44.516	7.034	72.486	2.175.757	2.248.243
Losses	(8.684)	(11.487)	(2.304)	(22.475)	(2.767)	(25.242)
Carrying amount	12.252	33.029	4.730	50.011	2.172.990	2.223.001
Coverage ratio	41,5%	25,8%	32,8%	31,0%	0,1%	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 30 June 2025, there are government securities amounting to 1.687,6 million Euro (1.579,0 million Euro at 31 December 2024).

Net non-performing loans in the Governance & Services and Non-Core Segment increase by 21,0 million Euro compared to the December 2024 figure, mainly due to an increase in non-performing and unlikely to pay positions. Performing loans are down by 101,4 million Euro compared with the balance of the close of the previous year, despite the increase relating to government securities (which went from 1.579,0 million Euro at 31 December 2024 to 1.687,6 million Euro at end June 2025).

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. This coverage stands at 31,0% at 30 June 2025, down from 37,1% at 31 December 2024. The coverage of the portfolio as a whole at 30 June 2025 goes from 0,9% at 31 December 2024 to 1,1% at 30 June 2025, and is substantially attributable to the increase in the proportion of non-performing exposures to the total portfolio over the period.

Banca Ifis shares

The share price

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

Official share price	30.06.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Share price at period-end	22,70	21,18	15,70	13,31	17,07

Price/book value

Below is the ratio of the share price at period end and equity attributable to the Parent company per share outstanding.

Price/book value	30.06.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Share price at period end	22,70	21,18	15,70	13,31	17,07
Equity attributable to the Parent company per share	33,60	32,95	32,01	30,24	29,85
Price/book value	0,68	0,64	0,49	0,44	0,57

Outstanding shares	30.06.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Number of shares outstanding at period end (in thousands) ⁽¹⁾	53.072	52.572	52.468	52.433	53.472

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

Earnings per share (EPS)

Here below is the earnings per share (EPS), namely the ratio of the profit for the period attributable to the Parent company to the weighted average of the ordinary shares outstanding in the reference period, net of treasury shares in portfolio.

Earnings per share and diluted earnings per share	30.06.2025	30.06.2024
Net profit for the period attributable to the Parent company (in thousands of Euro)	87.118	93.614
Average number of outstanding shares ⁽¹⁾	52.895.386	52.529.575
Average number of shares outstanding for diluted earnings per share purposes	53.603.186	53.388.645
Earnings per share (EPS)	1,65	1,78
Diluted earnings per share (EPS)	1,63	1,75

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

Corporate governance rules

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

Internal dealing rules

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

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

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

The Relevant Persons are:

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

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

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

Rules for the handling of inside information

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

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

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

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

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

Voluntary totalitarian tender and exchange offer on all shares of illimity Bank

On 7 January 2025, the Board of Directors of Banca Ifis approved the promotion of a voluntary totalitarian tender and exchange offer on all shares of illimity Bank 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 envisaged the acquisition by Banca Ifis of 100% ownership of the shares of illimity Bank listed on Euronext Milan, Segment Euronext STAR Milan. 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 originally consisted of:

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

On 28 April 2025, Banca Ifis received approval from the European Central Bank (ECB) for the direct and indirect acquisition of a controlling stake in illimity Bank, in accordance with 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).

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.

On 8 May 2025, 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 takeover bid promoted by Banca Ifis on all the ordinary shares of illimity pursuant to Articles 102 and 106, paragraph 4, of the TUF.

On 24 June 2025, Banca Ifis announced that it would pay a cash premium of 5%, equal to 0,1775 Euro (the "additional cash consideration"), for each illimity share tendered to the offer if the acceptance threshold were to exceed 90% of illimity Bank's share capital (the "90% threshold").

On 27 June 2025, the accession period for the voluntary totalitarian tender and exchange offer ended. On the basis of the results of the acceptances on that date, which reached 84,092%, in order to reach the threshold of 90% - the relevant threshold for the residual takeover bid and subsequent squeeze out procedures - the Bank announced, upon completion of the acceptance period, that it wished to proceed with the reopening of the terms pursuant to and for the purposes of Article 40-bis, paragraph 1, letter a), of the Issuers' Regulation; as a result, the acceptance period was reopened for 5 trading days and, precisely, for the sessions from 7 July to 11 July 2025.

Based on these final results of the Bid, as of the payment date (4 July 2025) Banca Ifis holds 70.694.489 illimity shares.

On 4 July 2025 Banca Ifis announced the new composition of the subscribed and paid up share capital resulting from the paid up and divisible share capital increase pursuant to the resolution of 8 May 2025, in partial execution of the mandate conferred on the Board of Directors by the Extraordinary Shareholders' Meeting of 17 April 2025, to service the voluntary totalitarian tender and exchange offer for all the ordinary shares of illimity Bank, through the issue of a maximum number of 8.406.781 ordinary shares of Banca Ifis, worth a nominal amount of 1,00 euro each, with regular dividend rights and the same characteristics as the shares in circulation on the issue date, to be released by contribution in kind as to service the offer.

The certificate of capital increase was filed on 4 July 2025 with the Companies' Register of Venice, Rovigo. 7.069.448 Banca Ifis ordinary shares - regular entitlement, coupon 32 - worth a nominal amount of 1,00 Euro each were issued, with an increase in share capital from 53.811.095,00 Euro to 60.880.543,00 Euro divided into 60.880.543 ordinary shares worth a nominal amount of 1,00 Euro each.

On 11 July 2025, the re-opening period for the voluntary totalitarian tender and exchange offer ended. At the end of the reopening period, total acceptances of the bid reached 92,488% (taking into account treasury shares). Therefore, on the basis of the results of the re-opening of the terms and taking into account the 70.694.489 illimity shares already tendered to the bid during the acceptance period, on the payment date following the re-opening of the terms (18 July 2025) Banca Ifis held 77.752.504 illimity shares, representing 92,488% of its share capital (taking into account treasury shares).

On the basis of the final results achieved, which were confirmed on 16 July 2025, Banca Ifis took steps to give effect to the payment of the 5% cash bonus to each illimity shareholder who tendered their illimity shares to the bid.

The payment date was set for 18 July 2025. On that date, against the transfer in favour of Banca Ifis of the right of ownership of the illimity shares tendered during the reopening of the terms, Banca Ifis:

- in favour of members who brought their illimity shares into the offer during the reopening of the terms:
 - issued and allotted the Banca Ifis shares offered, at a ratio of 0,10 newly issued Banca Ifis shares for every illimity share tendered, and thus for a total of 605.983 new Banca Ifis shares, representing 0,985% of Banca Ifis's share capital following the issue of these new Banca Ifis shares;
 - paid 1,6835 Euro for each illimity share tendered and so for a total of 10.201.728,85 Euro; and
- in favour of the adherents who had already tendered their illimity shares to the bid during the acceptance period (and had therefore already received the consideration on the payment date of 4 July 2025), paid only the additional cash consideration (0,1775 Euro per illimity share), as a supplement.

The deadline for the payment of the cash amount of the fractional part in favour of the subscribers who tendered their illimity shares to the bid during the reopening of the terms was set for 25 July 2025, as provided in Section F, Paragraph F.6 of the Bid Document.

On 21 July 2025, Banca Ifis communicated the new composition of the subscribed and paid-up share capital resulting from the paid-in and divisible share capital increase pursuant to the resolution of 8 May 2025, in partial

execution of the mandate conferred on the Board of Directors by the Extraordinary Shareholders' Meeting of 17 April 2025, to service the voluntary totalitarian tender and exchange offer.

The certificate of capital increase was filed on 21 July 2025 with the Companies' Register of Venice, Rovigo. 605.983 Banca Ifis ordinary shares - regular entitlement, coupon 32 - worth a nominal amount of 1,00 Euro each were issued, with an increase in share capital from 60.880.543,00 Euro (as updated by communication given on 04 July 2025) to 61.486.526,00 Euro divided into 61.486.526 ordinary shares worth a nominal amount of 1,00 Euro each.

On the basis of the final results of the reopening of the terms, the legal requirements for the fulfilment of the purchase obligation pursuant to article 108, paragraph 2, of the TUF have been verified, given that Banca Ifis holds a total shareholding of more than 90%, but less than 95%, of the share capital of illimity Bank, calculated by calculating the 76.754.322 shares tendered in acceptance of the offer as well as the 998.182 treasury shares held by illimity Bank, which, for the purposes of calculating the threshold set forth in Article 108, paragraph 2, of the TUF, must be counted in the overall stake held by Banca Ifis (numerator) without being deducted from the share capital of illimity Bank (denominator).

Therefore, Banca Ifis, as stated in the Bid Document, will not restore a free float sufficient to ensure the regular trading of illimity shares and will fulfil the purchase obligation pursuant to article 108, paragraph 2, of the TUF in relation to the remaining 7.313.486 illimity shares, representing 8,700% of the share capital of illimity Bank (including treasury shares).

As part of the procedure for the fulfilment of the obligation to purchase pursuant to Article 108, paragraph 2 of the TUF, Banca Ifis will pay to the shareholders of illimity Bank who request Banca Ifis to purchase their residual shares pursuant to Article 108, paragraph 2 of the TUF the consideration per residual share, determined in accordance with the provisions of Article 108, paragraphs 3 and 5 of the TUF, namely:

- a consideration identical to the consideration of the bid, i.e. for each illimity share tendered to the offer, 1,6835 Euro, as cash component, and 0,1 newly issued Banca Ifis shares, as share component (the "share consideration" and, together with the cash consideration, the "purchase obligation consideration pursuant to article 108, paragraph 2, of the TUF"); or, alternatively
- only to shareholders who expressly request it in the request for sale, a full cash consideration of 4,0767 Euro for each illimity share, calculated pursuant to article 50-ter, paragraph 1, letter a) of the Issuers' Regulation, and, therefore, equal to the sum (x) of the weighted average of the official prices of Banca Ifis shares recorded on Euronext Milan Euronext STAR Milan segment, in the five trading days preceding the payment date as a result of the reopening of the terms (i.e., in the sessions of 11 July, 14 July, 15 July, 16 July and 17 July 2025), which is equal to 23,9317 Euro, multiplied by 0,1 (i.e. the exchange rate) and (y) of the cash consideration (the "alternative cash consideration").

If all of the issuer's shareholders were to submit requests to sell all of the residual shares requesting the alternative cash consideration, the total cash amount that would have to be paid by Banca Ifis for all of the residual shares would be 29.814.888,38 Euro (the "potential maximum total cash consideration").

The period agreed with Borsa Italiana during which Banca Ifis will comply with the purchase obligation pursuant to Article 108, paragraph 2 of the TUF, and the holders of residual shares may, by submitting a request for sale, request Banca Ifis to purchase such illimity shares, commenced at 8:30 a.m. (Italian time) on 28 July 2025 and will end at 5:30 p.m. (Italian time) on 29 August 2025 (the "period for submission of requests for sale"), unless extended pursuant to applicable regulations. This phase is preparatory to the delisting of illimity Bank, which Banca Ifis intends to complete in September 2025.

At the time the sell-out started on 28 July 2025, Banca Ifis held 91,3% of the share capital of illimity Bank on the market.

The transfer to Banca Ifis of the ownership of the residual shares subject to the requests for sale and the payment to the requesting shareholders of the mandatory purchase consideration pursuant to Article 108, paragraph 2 of

the TUF or the alternative cash consideration will be made on the fifth trading day following the closing date of the period for submission of requests for sale, i.e. 5 September 2025, unless extended pursuant to applicable statutory and regulatory provisions (the "date of payment of the mandatory purchase consideration pursuant to Article 108, paragraph 2 of the TUF"). No interest will be paid by Banca Ifis or any other person on the cash consideration and the alternative cash consideration.

As stated in the Bid Document, if in the context of the procedure for the fulfilment of the purchase obligation pursuant to article 108, paragraph 2, of the TUF, Banca Ifis comes to hold - as a result of the purchase of the residual shares for which requests to sell are submitted - an aggregate stake equal to at least 95% of the share capital of illimity Bank, Banca Ifis will exercise its purchase right pursuant to Article 111 of the TUF and, at the same time, will fulfil its purchase obligation pursuant to Article 108, paragraph 1, of the TUF vis-à-vis the shareholders of the issuer who so request, through a specific joint procedure to be agreed upon with CONSOB and Borsa Italiana (the "joint procedure").

The terms of the joint procedure will be communicated by Banca Ifis prior to its commencement. The joint procedure will relate to all of the illimity shares not owned by Banca Ifis still outstanding at that date and will conclude with the transfer to Banca Ifis of the ownership of each such illimity share.

It should be noted that Borsa Italiana - pursuant to Article 2.5.1, paragraph 6, of the Stock Exchange Regulations - will order the delisting of the illimity shares from Euronext Milan, Euronext STAR Milan segment, starting from the first trading day following the date of payment of the purchase price pursuant to Article 108, paragraph 2, of the TUF, unless the conditions for the exercise of the right to purchase are met.

With regard to the consolidation of illimity Bank, please refer to the Notes to the Financial Statements and in particular to the section 'Accounting policies', paragraph 'Scope and methods of consolidation'.

Interruption of national tax consolidation with La Scogliera S.A.

It is also specified that on 4 July 2025, as an indirect consequence of the exchange between Ifis shares and illimity shares following the voluntary totalitarian tender and exchange offer in question, the requirement of control pursuant to Article 120 of the Consolidated Law on Income Tax, required for the continuation of the national tax consolidation and in force between La Scogliera S.A. (Italian branch), Banca Ifis S.p.A. and certain companies controlled by it (Cap.Ital.Fin. S.p.A., Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A. and Ifis Rental Services S.r.l.).

The discontinuation of the tax consolidation will take effect from the entire 2025 tax year. Following the adoption of the relevant resolutions by the respective Boards of Directors of the individual Group companies involved, as well as the option to be exercised in the tax return, the new national tax consolidation scheme (for the three-year period 2025-2027) will be effective with Banca Ifis S.p.A. as consolidating company and the following Group companies resident in Italy as consolidated companies: Cap.Ital.Fin S.p.A., Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A., Banca Credifarma S.p.A. and Ifis Rental Services S.r.l..

For the purposes of this Consolidated Half-Year Financial Report at 30 June 2025, the balances relating to the existing national tax consolidation with La Scogliera S.A. (Italian branch office), which is still valid at this reporting date, are shown, in continuity with previous years, under the balance sheet items "Other assets" and "Other liabilities", respectively, the credit or debit balances.

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 refer to the "Media" section of the institutional website www.bancaifis.it to view all press releases, as well as to the specific section dedicated to the voluntary totalitarian tender and exchange offer on all shares of illimity Bank.

For a summary of this transaction, please refer to the previous section " Voluntary totalitarian tender and exchange offer on all shares of illimity Bank"; below is a summary of further significant events during the period.

The Shareholders' Meeting has 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 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.

Significant subsequent events

For a summary of the significant events after the end of the period and related to the voluntary totalitarian tender and exchange offer on all shares of illimity Bank, please refer to the previous section "Voluntary totalitarian tender and exchange offer on all shares of illimity Bank".

Completed issue of a 400 million Euro bond maturing in November 2029

On 8 July 2025, Banca Ifis completed the placement of a 400 million Euro senior preferred debenture loan aimed at institutional investors. The transaction is part of the 5 billion Euro EMTN issuance programme.

In detail, the bond issue matures in November 2029 and the reoffer price was set at 99,758 with a coupon payable annually of 3,625%. The bid was subscribed for 1,5 times the amount issued.

The bond issued by Banca Ifis is listed on the Luxembourg Stock Exchange, with a rating of Baa3 by Moody's and BB+ by Fitch.

Acquisition of Euclidean SIM

In line with the principles announced at the start of the year by Ernesto Fürstenberg Fassio to develop a distinctive and competitive offering both technologically and in terms of transparency and cost efficiency, Banca Ifis signed an agreement on Monday 28 July 2025 to acquire 100% of the shares of Euclidean SIM S.p.A.. The transaction constitutes the first step in a broader project to expand the offering to the sphere of asset management services.

Euclidean SIM is an independent securities brokerage firm offering analysis and portfolio management services. Euclidean's experienced market managers base their choices on a proprietary AI- and machine learning-based 'fund ranking' algorithm for selecting actively and passively managed funds based on objective parameters (e.g. cost and historical performance). Through the use of its digital platform, the brokerage firm is thus able to offer a portfolio management service with transparent and competitive pricing and very positive historical performance. Currently, the company manages a clientèle mainly concentrated in the private segment: at the end of 2024, the company managed around 400 million Euro in assets on behalf of more than 2.000 clients.

Leveraging its own history and Euclidean's positive track record, Banca Ifis will thus also be able to broaden the areas of dialogue with business customers, already served within the Commercial & Corporate Banking Segment, and take advantage of the synergies between the Bank and Euclidean SIM by flanking the Rendimax deposit account with a customised advanced digital asset management service. As part of the transaction, which is subject to the authorisation and supervisory procedures required by existing regulations, Banca Ifis will absorb the management and employees. The impact on the Banca Ifis Group's estimated CET1 ratio is approximately -20 bps.

No further significant events occurred between the end of the reporting period and the approval of the Consolidated Half-Year Financial Report by the Board of Directors.

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.

As regards the analyses carried out by the Banca Ifis Group on the potential impacts of the introduction of customs duties by the US administration on European products, please refer to the details given in the Notes to the Financial Statements, in the paragraph "Measurement of expected losses (ECL)" within the section "Information on risks and related hedging policies".

Business outlook

The macroeconomic scenario for FY 2025 is less favourable for the Italian banking sector due to the reduction in interest rates. In the first half of the year, the 3-month Euribor fell by 0,7% and further declines are possible if the European Central Bank (ECB) reduces interest rates further in the coming quarters.

The geopolitical environment remains highly uncertain and volatile, not only because of the armed conflicts in Ukraine and the Middle East, but also because of the trade and tariff war initiated by the US administration.

Demand for credit from businesses remains modest (+0,7% compared with June 2024) and companies have adequate long-term financing in an environment of moderate economic growth.

Asset quality remains on a positive trend. In May 2025, net non-performing loans decreased to 31,2 billion Euro from 31,3 billion Euro in December 2024 (30,5 billion Euro in December 2023). Compared to their peak level of 196,3 billion Euro reached in 2015, they are down by more than 165 billion Euro. In May 2025, net non-performing loans represented 1,50% of total loans.

The trends visible in the first half of 2025 would thus seem to persist in the second half of the year as well: falling interest rates and the resulting reduction in banks' net interest income, and essentially stable asset quality. A less favourable context therefore than in 2024, but still positive for the Italian banking system.

In this context, the Banca Ifis Group completed the voluntary totalitarian tender and exchange offer on illimity Bank, reaching 92,5% of the capital as at 11 July 2025 (conclusion of the reopening period of the terms of the voluntary totalitarian tender and exchange offer), with the sell-out phase starting from 28 July to 29 August 2025 and the delisting of illimity Bank's shares from September. Banca Ifis confirmed the synergies of 75 million Euro expected when the takeover bid was announced. On 6 August, the last quarterly report under the management of the current Board of Directors of illimity Bank will be approved, and on 25 September the shareholders' meeting is scheduled to appoint the new Board of Directors.

The sustainable profitability and capital strength achieved by the Banca Ifis Group in recent years allow us to face the coming months of the integration process with complete peace of mind. Capital and profitability levels that, on the one hand, keep the level of risk low and, on the other hand, allow us to continue to guarantee a significant level of remuneration for shareholders.

Other information

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 ECAs.

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 2026¹, 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.

As of 31 December 2024, the Bank of Italy introduced a new capital buffer called the Systemic Risk Buffer (SyRB) of 0,5% (phase in), increased to 1% as of 30 June 2025 for domestic exposures subject to credit and counterparty risk.

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.

¹ The European Commission has adopted a delegated act postponing the date of application of the fundamental review of the trading book (FRTB) by another year, until 1 January 2027.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	30.06.2025 ⁽¹⁾	31.12.2024 ⁽²⁾
Common Equity Tier 1 (CET1) capital	1.622.255	1.583.801
Tier 1 capital	1.623.121	1.584.703
Total Own Funds	1.785.091	1.781.416
Total RWAs	9.821.496	9.836.093
CET1 Ratio	16,52%	16,10%
Tier 1 Ratio	16,53%	16,11%
Total Capital Ratio	18,18%	18,11%

(1) CET1, Tier 1 and Total Capital include the profits generated by the Banking Group in the first half of 2025, net of the relevant dividend accrued.

(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 30 June 2025, taking into account the transitional treatment of the filter on the FVOCI reserves, Own funds amount to 1.785,1 million Euro, recording a positive change of 3,7 million Euro compared to 31 December 2024. This change is mainly attributable to the following components:

- the inclusion of the profit accrued as at 30 June 2025, net of the related dividend, amounting to 43,5 million Euro;
- the sale of treasury shares in portfolio (against the exercise of stock options), which resulted in a positive change of 5,9 million Euro;
- the lesser deduction of investments in intangible assets, with a positive change of 3,2 million Euro;
- the increase in other components of overall profitability, with a positive change of 6,6 million Euro;
- the lower deduction of Deferred Tax Assets (DTA), which resulted in a positive change of 5,3 million Euro;
- negative change in other reserves in the amount of 0,6 million Euro;
- higher deduction from the CET1, deriving from the increase in receivables within the scope of what is termed "Calendar provisioning", for 13,8 million Euro;
- the reduction of transitional adjustments on CET1, which led to a negative change of 11,7 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 34,7 million Euro.

The negative change in shareholders' equity due to the aforementioned phenomena was mitigated by a reduction in Risk weighted assets (RWA) of 14,6 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	6.046.876	2.752.866	1.238.605	2.055.405	1.755.876	1.115.959	8.918.711
RWA for market risk	X	X	X	X	X	X	59.407
RWA for operational risk (basic indicator approach)	X	X	X	X	X	X	701.072
RWA for credit valuation adjustment risk	X	X	X	X	X	X	142.306
Total RWAs	X	X	X	X	X	X	9.821.496

At 30 June 2025, taking into account the transitional provisions introduced by Regulation 1623/2024 (CRR3), Risk weighted assets (RWAs) amount to 9.821,5 million Euro, a decrease of 14,6 million Euro compared to December 2024. Specifically, please note:

- a rise in credit risk of 243,3 million Euro mainly attributable to the following asset classes:
 - other segments: increase of 139,6 million Euro, mainly attributable to transactions with institutions. In particular, there was an increase in transactions in repurchase agreements and derivative instruments in the amount of 45,8 million Euro, an increase related to the voluntary totalitarian tender and exchange offer on illimity Bank in the amount of 41,2 million Euro, and an increase in 'other assets' and 'tangible assets' in the amount of 69 million Euro², the effects of which were partially offset by the 164 million Euro reduction due to other effects;
 - off-balance sheet exposures: an increase of 105,2 million Euro, due primarily to the increase in riskiness linked to the new Basel 4 framework of 80,5 million Euro and the effect of new commitments of 24,7 million Euro.
- an increase in market risk and Credit Valuation Adjustment (CVA) risk components, totalling 79,3 million Euro, mainly due to the increase in derivative transactions (of which CVA equal to 59,6 million Euro and market risks of 19,7 million Euro);
- a reduction in operational risk of 337,2 million Euro, due to the new Basel 4 calculation method, activating starting 2025.

Following the above-described dynamics, at 30 June 2025, the CET1 ratio stands at 16,52%, up 42 basis points from 31 December 2024, while the Total Capital ratio stands at 18,18%, up 7 basis points compared with 31 December 2024.

At 30 June 2025, not considering the prudential filter for exposures to central governments classified in the FVOCI category, Fully Loaded Own Funds amount to 1.774,7 million Euro, and consequently the RWA, when fully applied, come to 10.583,2 million Euro.

For the sake of comparison, it should be noted that at 30 June 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):

- CET1 Ratio of 8,86%, with a required minimum of 5,50%;
- Tier 1 Ratio of 10,76%, with a required minimum of 7,40%;

² This refers to the component of other assets and tangible assets for which capital absorption is foreseen and therefore not recorded in respect of the government.

- Total Capital Ratio of 13,16%, 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 9,86%, consisting of an OCR CET1 ratio of 8,86% and a target component (Pillar 2 Guidance) of 1,00%;
- Tier 1 Ratio of 11,76%, consisting of an OCR Tier 1 Ratio of 10,76% and a target component of 1,00%;
- Total Capital Ratio of 14,16%, consisting of an OCR Total Capital Ratio of 13,16% and a target component of 1,00%.

As at 30 June 2025, the Systemic Risk Buffer (SyRB) is calculated at the target rate of 1,00% applied to material exposures, both at the consolidated and individual level.

Below is a summary table of the requirements in force.

Overall Capital Requirement (OCR)								Pillar 2 Guidance	Total
	Art. 92 CRR	SREP	TSCR	Combined requirement			OCR Ratio	P2G	OCR and P2G
				RCC ⁽¹⁾	Countercyclical buffer	Systemic risk			
CET1	4,50%	1,00%	5,50%	2,50%	0,04%	0,82%	8,86%	1,00%	9,86%
Tier 1	6,00%	1,40%	7,40%	2,50%	0,04%	0,82%	10,76%	1,00%	11,76%
Total Capital	8,00%	1,80%	9,80%	2,50%	0,04%	0,82%	13,16%	1,00%	14,16%

(1) RCC: capital conservation buffer.

At 30 June 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
13,16% ⁽¹⁾ of the Total Risk Exposure Amount (TREA)	8% of the Total Risk Exposure Amount (TREA)
4.68% 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 6,71% as of the reporting date. The minimum threshold added together is 16,51%.

At 30 June 2025, following the monitoring process, both indicators were easily met.

On 23 June 2025, the Banca Ifis Group received the notice of initiation of the procedure to determine the Minimum Requirement for Own Funds and Eligible Liabilities (MREL).

The proposed new requirements envisage a requirement of 12,72% of TREA and 4,46% of LRE, it being understood that as the Pillar 2 requirement under Art. 104 bis and the combined buffer requirement under Art. 128 of the same EU Directive 36/2013 change, the MREL requirement will be automatically updated.

Following the introduction of EU Directive 2024/1174 (the “Daisy Chain Act”) there is no longer a minimum MREL requirement in respect of the subsidiary Banca Credifarma S.p.A..

Group liquidity position and coefficients

The Group has liquidity at 30 June 2025 (in reserves and free assets that can be financed in the ECB) such as to enable it to easily respect the LCR limits (with index of 290%).

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 30 June 2025 the carrying amount of sovereign debt exposures is 2.401 million Euro, net of the negative valuation reserve of 10,1 million Euro.

These securities, with a nominal amount of 2.472 million Euro have a weighted residual average life of 74 months.

The fair values used to measure the exposures to sovereign debt securities at 30 June 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 30 June 2025 amount to 273 million Euro, of which 85 million Euro related to tax credits.

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 ultimate 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 first half of 2025, Banca Ifis awarded the Top Management:

- as variable pay, under the scope of the Short-Term Incentive ("STI") system, 121.031 treasury shares at an average price of 16,53 Euro, for a total of 2,0 million Euro and a nominal amount of 121.031 Euro, making losses of 269 thousand Euro that, in compliance with IAS/IFRS standards, were recognised under the premium reserve;
- as variable long-term remuneration, as part of the exercise by the various beneficiaries of the stock options assigned to them as a result of the "2021-2023 Long-Term Incentive Plan" (the "LTI Plan"), 378.600 treasury shares at an average price of 12,92 Euro (the strike price of the stock options), for an equivalent value of 4,9 million Euro and a nominal amount of 378.600 Euro, realising losses of 108 thousand Euro recognised in additional paid-in capital. The related stock option reserve associated with options exercised during the period totals 1,1 million Euro.

For more details on the Short-Term Incentive Scheme and the LTI Plan, refer to the section "Share-based payments" within the Notes to this document.

During the period, there were no further transactions on treasury shares other than those mentioned above.

Considering the above operations, the stock at 30 June 2025 is 739.255 treasury shares, with an equivalent value of 13,7 million Euro and a nominal amount of 739.255 Euro.

It should be noted that the Banca Ifis Group does not hold, directly or indirectly, any shares in the ultimate 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 half of 2025, no significant transactions with related parties were undertaken outside the scope of the Consolidated Half-Year Financial Report. For more details, see the section "Related-party Transactions" in the Notes to this document.

Atypical or unusual transactions

During the first half 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 Chairmanship in Rome and operational offices in Milan. There are no branch offices.

Human resources

At 30 June 2025, the Banca Ifis Group had 2.043 employees (2.013 at 31 December 2024). Below is a breakdown of the workforce by classification level.

GROUP EMPLOYEES BY CLASSIFICATION LEVEL	30.06.2025		31.12.2024		CHANGES	
	Number	%	Number	%	Number	%
Senior managers	98	4,8%	99	4,9%	(1)	(1,0)%
Middle managers	703	34,4%	653	32,4%	50	7,7%
Clerical staff	1.242	60,8%	1.261	62,6%	(19)	(1,5)%
Total Group employees	2.043	100,0%	2.013	100,0%	30	1,5%

Research and development activities

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

Venice - Mestre, 1 August 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.

2025

Consolidated Half-Year Financial Report
at 30 June 2025

Condensed consolidated
half-year financial
statements

Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)		30.06.2025	31.12.2024
10.	Cash and cash equivalents	409.630	505.016
20.	Financial assets measured at fair value through profit or loss	267.102	249.101
	<i>a) financial assets held for trading</i>	13.884	12.069
	<i>c) other financial assets mandatorily measured at fair value</i>	253.218	237.032
30.	Financial assets measured at fair value through other comprehensive income	997.992	701.830
40.	Financial assets measured at amortised cost	11.422.373	11.513.781
	<i>a) receivables due from banks</i>	718.669	703.763
	<i>b) receivables due from customers</i>	10.703.704	10.810.018
50.	Hedging derivatives	14.633	7.404
70.	Equity investments	24	24
90.	Property, plant and equipment	192.496	166.665
100.	Intangible assets	90.505	85.488
	<i>of which:</i>		
	<i>- goodwill</i>	38.020	38.020
110.	Tax assets:	181.564	213.464
	<i>a) current</i>	13.589	42.033
	<i>b) deferred</i>	167.975	171.431
120.	Non-current assets and disposal groups	4.677	-
130.	Other assets	380.401	382.965
	Total assets	13.961.397	13.825.738

LIABILITIES AND EQUITY (in thousands of Euro)		30.06.2025	31.12.2024
10.	Financial liabilities measured at amortised cost	11.645.432	11.597.750
	<i>a) payables due to banks</i>	2.638.963	1.443.250
	<i>b) payables due to customers</i>	6.163.470	7.001.763
	<i>c) debt securities issued</i>	2.842.999	3.152.737
20.	Financial liabilities held for trading	14.440	13.765
40.	Hedging derivatives	16.494	14.868
60.	Tax liabilities:	48.906	51.924
	<i>a) current</i>	17.408	23.345
	<i>b) deferred</i>	31.498	28.579
80.	Other liabilities	384.671	339.377
90.	Post-employment benefits	7.318	7.569
100.	Provisions for risks and charges:	45.111	52.339
	<i>a) commitments and guarantees granted</i>	5.780	5.559
	<i>b) pensions and similar obligations</i>	268	231
	<i>c) other provisions for risks and charges</i>	39.063	46.549
120.	Valuation reserves	(21.573)	(28.144)
150.	Reserves	1.584.440	1.543.729
155.	Interim dividends (-)	-	(63.084)
160.	Share premiums	93.364	85.391
170.	Share capital	53.811	53.811
180.	Treasury shares (-)	(13.701)	(20.971)
190.	Equity attributable to non-controlling interests (+/-)	15.566	15.836
200.	Profit (loss) for the period (+/-)	87.118	161.578
	Total liabilities and equity	13.961.397	13.825.738

Consolidated Income Statement

ITEMS (in thousands of Euro)		30.06.2025	30.06.2024
10.	Interest receivable and similar income	368.452	431.426
	<i>of which: interest income calculated using the effective interest method</i>	362.071	421.583
20.	Interest due and similar expenses	(191.969)	(223.108)
30.	Net interest income	176.483	208.318
40.	Commission income	54.196	56.678
50.	Commission expense	(9.842)	(9.769)
60.	Net commission income	44.354	46.909
70.	Dividends and similar income	17.257	8.674
80.	Net profit (loss) from trading	(437)	3.401
90.	Net result from hedging	(118)	(1.317)
100.	Profit (loss) from sale or buyback of:	29.397	16.662
	<i>a) financial assets measured at amortised cost</i>	28.078	15.519
	<i>b) financial assets measured at fair value through other comprehensive income</i>	1.478	1.056
	<i>c) financial liabilities</i>	(159)	87
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	17.991	12.822
	<i>b) other financial assets mandatorily measured at fair value</i>	17.991	12.822
120.	Net banking income	284.927	295.469
130.	Net credit risk losses/reversals on:	47.093	62.938
	<i>a) financial assets measured at amortised cost</i>	47.391	62.442
	<i>b) financial assets measured at fair value through other comprehensive income</i>	(298)	496
150.	Net profit (loss) from financial activities	332.020	358.407
180.	Net profit (loss) from financial and insurance activities	332.020	358.407
190.	Administrative expenses:	(213.926)	(219.216)
	<i>a) personnel expenses</i>	(85.097)	(86.613)
	<i>b) other administrative expenses</i>	(128.829)	(132.603)
200.	Net allocations to provisions for risks and charges	5.315	(440)
	<i>a) commitments and guarantees granted</i>	(220)	266
	<i>b) other net allocations</i>	5.535	(706)
210.	Net impairment losses/reversals on property, plant and equipment	(6.679)	(5.790)
220.	Net impairment losses/reversals on intangible assets	(6.949)	(5.030)
230.	Other operating income/expenses	16.994	15.524
240.	Operating costs	(205.245)	(214.952)
290.	Pre-tax profit (loss) for the period from continuing operations	126.775	143.455
300.	Income taxes for the period relating to continuing operations	(38.882)	(48.990)
330.	Profit (loss) for the period	87.893	94.465
340.	Profit (loss) for the period attributable to non-controlling interests	(775)	(851)
350.	Profit (loss) for the period attributable to the Parent company	87.118	93.614

Earnings per share and diluted earnings per share	30.06.2025	30.06.2024
Earnings per share (EPS)	1,65	1,78
Diluted earnings per share (EPS)	1,63	1,75

Consolidated Statement of Comprehensive Income

ITEMS (in thousands of Euro)		30.06.2025	30.06.2024
10.	Profit (loss) for the period	87.893	94.465
	Other comprehensive income, net of taxes, not to be reclassified to profit or loss	559	(2.666)
20.	Equity securities measured at fair value through other comprehensive income	2.573	(2.950)
40.	Hedging of equity securities measured at fair value through other comprehensive income	(2.090)	11
70.	Defined benefit plans	77	272
	Other comprehensive income, net of taxes, to be reclassified to profit or loss	6.350	(3.033)
120.	Exchange differences	(34)	310
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	6.384	(3.343)
200.	Total other comprehensive income, net of taxes	6.909	(5.699)
210.	Comprehensive income (Item 10 + 200)	94.802	88.766
220.	Consolidated comprehensive income attributable to non-controlling interests	(775)	(852)
230.	Consolidated comprehensive income attributable to the Parent company	94.027	87.914

Statement of Changes in Consolidated Equity at 30 June 2025

(figures in thousands of Euro)	Balance at 31.12.2024	Change in opening balances	Balance at 01.01.2025	Allocation of profit from previous year		Changes in the period										Consolidated equity at 30.06.2025	Group equity at 30.06.2025	Equity attributable to non-controlling interest at 30.06.2025
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions								Comprehensive income for the period			
							Issue of new shares	Buyback of treasury shares	Interim dividends	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests				
Share capital:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
a) ordinary shares	59.589	X	59.589	-	X	X	-	-	X	X	X	X	X	-	X	59.589	53.811	5.778
b) other shares	-	X	-	-	X	X	-	-	X	X	X	X	X	-	X	-	-	-
Share premiums	87.011	X	87.011	-	X	8.350	(377)	X	X	X	X	X	X	-	X	94.984	93.364	1.620
Reserves:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
a) retained earnings	1.536.582	-	1.536.582	50.218	X	(7.875)	-	-	X	-	X	X	X	-	X	1.578.925	1.572.588	6.337
b) other	13.970	-	13.970	-	X	-	-	X	X	-	X	-	(1.081)	-	X	12.889	11.852	1.037
Valuation reserves	(28.126)	-	(28.126)	X	X	(337)	X	X	X	X	X	X	X	-	6.909	(21.554)	(21.573)	19
Equity instruments	-	X	-	X	X	X	X	X	X	X	-	X	X	-	X	-	-	-
Interim dividends	(63.084)	X	(63.084)	X	63.084	X	X	X	-	X	X	X	X	X	X	-	-	-
Treasury shares	(20.971)	X	(20.971)	X	X	X	7.270	-	X	X	X	X	X	X	X	(13.701)	(13.701)	-
Profit (loss) for the period	163.174	-	163.174	(50.218)	(112.956)	X	X	X	X	X	X	X	X	X	87.893	87.893	87.118	775
Consolidated equity	1.748.146	-	1.748.146	-	(49.872)	138	6.893	-	-	-	-	-	(1.081)	-	94.802	1.799.025	X	X
Group equity	1.732.310	-	1.732.310	-	(48.827)	138	6.893	-	-	-	-	-	(1.081)	-	94.027	1.783.459	1.783.459	X
Equity attributable to non-controlling interests	15.836	-	15.836	-	(1.045)	-	-	-	-	-	-	-	-	-	775	15.566	X	15.566

Statement of Changes in Consolidated Equity at 30 June 2024

(figures in thousands of Euro)	Balance at 31.12.2023	Change in opening balances	Balance at 01.01.2024	Allocation of profit from previous year		Changes in the period										Consolidated equity at 30.06.2024	Group equity at 30.06.2024	Equity attributable to non-controlling interest at 30.06.2024
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions								Comprehensive income for the period			
							Issue of new shares	Buyback of treasury shares	Interim dividends	Extraordinary distribution of dividends	Changes in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests				
Share capital:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
a) ordinary shares	59.589	X	59.589	-	X	X	-	-	X	X	X	X	X	-	X	59.589	53.811	5.778
b) other shares	-	X	-	-	X	X	-	-	X	X	X	X	X	-	X	-	-	-
Share premiums	85.728	X	85.728	-	X	826	419	X	X	X	X	X	X	-	X	86.973	85.353	1.620
Reserves:	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
a) retained earnings	1.496.626	-	1.496.626	51.676	X	(9.370)	-	-	X	-	X	X	X	-	X	1.538.932	1.533.146	5.786
b) other	13.815	-	13.815	-	X	-	-	X	X	-	X	-	155	-	X	13.970	12.933	1.037
Valuation reserves	(39.197)	-	(39.197)	X	X	8.388	X	X	X	X	X	X	X	-	(5.699)	(36.508)	(36.526)	18
Equity instruments	-	X	-	X	X	X	X	X	X	X	-	X	X	-	X	-	-	-
Interim dividends	(62.962)	X	(62.962)	X	62.962	X	X	X	-	X	X	X	X	X	X	-	-	-
Treasury shares	(21.817)	X	(21.817)	X	X	X	827	-	X	X	X	X	X	X	X	(20.990)	(20.990)	-
Profit (loss) for the period	161.916	-	161.916	(51.676)	(110.240)	X	X	X	X	X	X	X	X	X	94.465	94.465	93.614	851
Consolidated equity	1.693.699	-	1.693.699	-	(47.278)	(156)	1.246	-	-	-	-	-	155	-	88.766	1.736.432	X	X
Group equity	1.679.459	-	1.679.459	-	(47.278)	(156)	1.246	-	-	-	-	-	155	-	87.914	1.721.341	1.721.341	X
Equity attributable to non-controlling interests	14.240	-	14.240	-	-	-	-	-	-	-	-	-	-	-	852	15.091	X	15.091

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT Indirect method (in thousands of Euro)	30.06.2025	30.06.2024
A. OPERATING ACTIVITIES		
1. Operations	74.600	80.753
- profit (loss) for the period (+/-)	87.893	94.465
- profit/loss on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	(17.554)	(16.223)
- gains/losses on hedging (-/+)	118	1.317
- net credit risk losses/reversals (+/-)	(47.093)	(62.938)
- net impairment losses/reversals on property, plant and equipment and intangible assets (+/-)	13.628	10.820
- net allocations to provisions for risks and charges and other expenses/income (+/-)	(1.677)	4.040
- unpaid taxes, duties and tax credits (+/-)	38.882	48.990
- other adjustments (+/-)	403	282
2. Cash flows generated/absorbed by financial assets	(168.160)	388.653
- financial assets held for trading	(1.619)	103
- other assets mandatorily measured at fair value	1.805	(10.802)
- financial assets measured at fair value through other comprehensive income	(289.551)	207.659
- financial assets measured at amortised cost	128.410	157.966
- other assets	(7.205)	33.727
3. Cash flows generated/absorbed by financial liabilities	85.127	(619.785)
- financial liabilities measured at amortised cost	45.813	(596.892)
- financial liabilities held for trading	62	534
- other liabilities	39.252	(23.427)
Net cash flows generated/absorbed by operating activities (+/-)	(8.433)	(150.379)
B. INVESTING ACTIVITIES		
1. Cash flows generated by	-	-
- sale of equity investments	-	-
- sale of property, plant and equipment	-	-
2. Cash flows absorbed by	(42.031)	(22.697)
- purchases of property, plant and equipment	(30.641)	(15.372)
- purchases of intangible assets	(11.390)	(7.325)
- purchases of subsidiaries and business units	-	-
Net cash flows generated/absorbed by investing activities (+/-)	(42.031)	(22.697)
C. FINANCING ACTIVITIES		
- issues/buyback of treasury shares	4.892	-
- distribution of dividends and other	(49.814)	(47.146)
- sale/purchase of minority control	-	-
Net cash flows generated/absorbed by financing activities (+/-)	(44.922)	(47.146)
NET CASH FLOWS GENERATED /ABSORBED DURING THE PERIOD	(95.386)	(220.223)
RECONCILIATION		
OPENING CASH AND CASH EQUIVALENTS	505.016	857.533
TOTAL NET CASH GENERATED/USED DURING THE PERIOD	(95.386)	(220.223)
CASH AND CASH EQUIVALENTS: EFFECT OF CHANGES IN EXCHANGE RATES	-	-
CLOSING CASH AND CASH EQUIVALENTS	409.630	637.310

2025

Consolidated Half-Year Financial Report at 30 June 2025

Notes

Accounting policies

Statement of compliance with IFRS

The Condensed consolidated half-year financial statements at 30 June 2025 are prepared by applying the IASs/IFRSs issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), adopted by the European Union, as established by European Community Regulation No.1606 of 19 July 2002.

For the interpretation and application of the international accounting standards, reference was made to the following documents, although not endorsed by the European Union:

- Systematic Framework for the Preparation and Presentation of Financial Statements ("Conceptual Framework");
- Implementation Guidance, Basis for Conclusions and any other documents prepared by the IASB or IFRIC to complement the issued accounting standards.

The accounting standards adopted in preparing these Condensed consolidated half-year financial statements are those in force at 30 June 2025 (including SIC and IFRIC interpretations).

For an overview of the accounting standards and related interpretations endorsed by the European Commission, which are of mandatory obligation following the reference date of these Condensed consolidated half-year financial statements, please refer to the following.

Insofar as applicable, the Bank also considered the communications from Supervisory Authorities (Bank of Italy, ECB, Consob, and ESMA), which provide recommendations on the disclosure to include in the Financial report concerning some of the most material aspects in terms of accounting or the accounting treatment of specific transactions.

The accounting standards used for the preparation of the Condensed consolidated half-year financial statements are those adopted for the preparation of the Consolidated financial statements at 31 December 2024, to which reference should be made for an explanation of the criteria for the recognition, classification, measurement, derecognition and recording of income and expense items in the financial statements.

With reference to the information provided, it should be noted that the Condensed consolidated half-year financial statements at 30 June 2025 have been prepared in condensed form, in accordance with IAS 34 "Interim Financial Reporting".

The Condensed consolidated half-year financial statements are subject to a limited audit by PricewaterhouseCoopers S.p.A..

Basis of preparation

The Condensed consolidated half-year financial statements consist of:

- the consolidated financial statements (statement of financial position and income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows);
- specific Notes.

in addition, they contain the Interim Directors' Report on the Group.

The Condensed consolidated half-year financial statements have been drawn up according to the general principles of IAS 1, referring also to IASB's "Framework for the preparation and presentation of financial statements", with particular attention to the fundamental principles of substance over legal form, the concepts of relevance and materiality of information, and the accruals and going concern accounting concepts.

For the preparation of these Condensed consolidated half-year financial statements, reference was made to the format set out by Bank of Italy's Circular no. 262 of 22 December 2005, 8th update of 17 November 2022.

In line with the aforementioned Circular, items that do not show any amounts for the reference period and period used for comparison.

The financial statements provide, in addition to the accounting data at 30 June 2025, comparative information relating, for the Balance Sheet balances, to the last approved Consolidated Financial Statements at 31 December 2024 and, for the balances relating to the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows, to those of the Consolidated Half-Year Financial Report at 30 June 2024.

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 Condensed consolidated half-year financial statements at 30 June 2025 have remained substantially unchanged from those adopted for the preparation of the 2024 financial statements of the Banca Ifis Group, to which reference is made.

The accounting data used to prepare the Condensed half-year financial statements are those prepared by the subsidiaries with reference to 30 June 2025, adjusted, where necessary, to adapt them to the accounting standards used by the Group.

If the information required by international accounting standards and the provisions of the aforementioned Circular is deemed insufficient to give a true and fair view, additional information necessary for this purpose is provided in the Notes to the Financial Statements.

The Condensed consolidated half-year financial statements are prepared in accordance with the following general principles:

- going concern: the Condensed consolidated half-year financial statements are prepared on a going concern basis, having regard to the Group's business, as detailed below;
- accrual accounting: the Condensed consolidated half-year financial statements are prepared in accordance with accrual accounting principles;
- consistency of presentation: the presentation and classification of items in the Condensed consolidated half-year financial statements is kept constant from one year to the next unless a standard or interpretation requires a change in presentation or another presentation or classification is no longer appropriate. In the latter case, the Notes to the financial statements provide information on the changes made compared to the previous period;
- materiality and aggregation: the balance sheet and income statement consist of items (denoted by Arabic numerals), sub-items (denoted by letters) and additional disclosure details (the "of which" of items and sub-items). The items, sub-items and related information details constitute the Condensed consolidated half-year financial statements accounts. New items may be added to the previously described Condensed consolidated half-year financial statements if their content is not traceable to any of the items already included in the schedules. The subheadings provided for in the schedules may be grouped together when one of the two following conditions is met:
 - the amount of the subheadings is not significant;
 - grouping promotes clarity in the Condensed consolidated half-year financial statements;

- substance over form: transactions and other events are recognised and represented in accordance with their substance and economic reality and not merely according to their legal form;
- offsetting: assets and liabilities, income and expenses are not offset unless permitted or required by an international accounting standard or interpretation thereof or by the provisions of the aforementioned Bank of Italy Circular No. 262;
- comparative information: for each balance sheet and income statement, comparative information for the previous period is provided, unless an accounting standard or interpretation permits or provides otherwise. Figures for the previous period may be adjusted where necessary to ensure comparability of information for the reference period. Any non-comparability, adjustment or impossibility of the latter are reported and commented on in the Notes.

Information on the business as a going concern

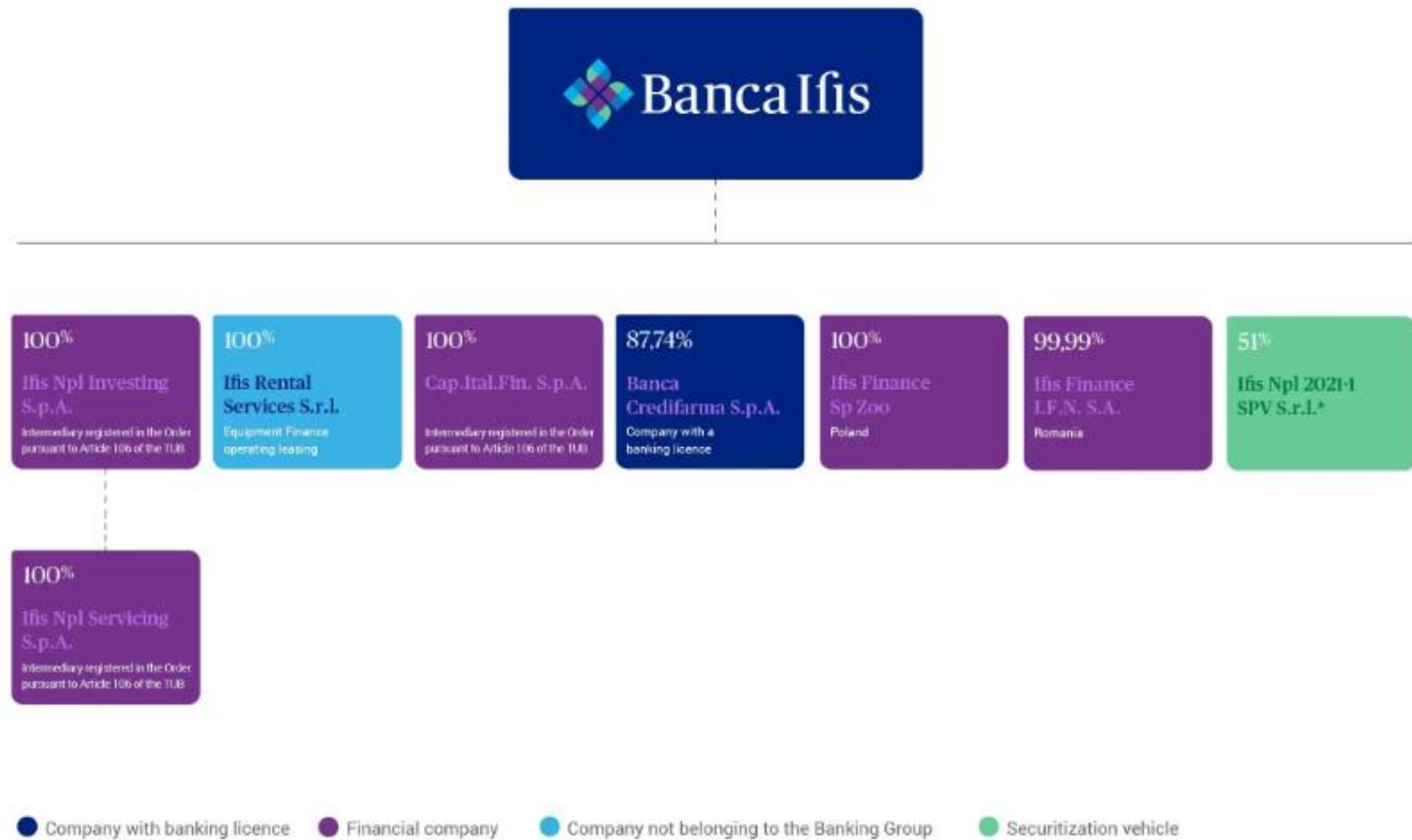
The Bank of Italy, Consob and Isvap, with document No. 2 issued on 6 February 2009 ("Disclosure in financial reports on the going concern assumption, financial risks, asset impairment tests and uncertainties in the use of estimates"), together with the subsequent document No. 4 of 4 March 2010, require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

Unlike in the past, present conditions on financial markets and in the real economy, together with the uncertainties in short-term forecasts, require particularly accurate assessments of the going concern assumption, as records of the 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 Condensed consolidated half-year financial statements at 30 June 2025 have been prepared on a going concern basis. For more details on the analyses conducted with reference to the current macroeconomic scenario and international tensions, please refer to the specific section of the Interim Directors' Report on the Group entitled "Information on international tensions".

Consolidation scope and methods

The Condensed consolidated half-year financial statements of the Banca Ifis Group have been drawn up on the basis of the accounts at 30 June 2025 prepared by the directors of the companies included in the consolidation scope on the basis of homogeneous accounting standards.



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

Key

(1) Type of relationship:

1 = majority of voting rights in the Annual Shareholders' Meeting

2 = dominant influence in the Annual Shareholders' Meeting

3 = agreements with other shareholders

4 = other forms of control

5 = joint management pursuant to Article 39, paragraph 1, Italian Legislative Decree No. 136/2015

6 = joint management pursuant to Article 39, paragraph 2, Italian Legislative Decree No. 136/2015

(2) Voting rights in the Annual Shareholders' Meeting, distinguishing between effective and potential voting rights

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

With regard to the subsidiaries included in the scope of consolidation as at 30 June 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 period-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 Condensed consolidated half-year financial statements at 30 June 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 Condensed consolidated half-year financial statements from the date control is acquired. The costs, revenues, other comprehensive income and cash flows of a transferred subsidiary are included in the Condensed consolidated half-year financial statements up to the date of transfer. In the event of the transfer of a subsidiary, the difference between the transfer consideration and the carrying amount of the subsidiary's net assets is recognised in income statement item "Gains (Losses) on disposal of investments". In the event of a partial disposal of the controlled entity, which does not result in the loss of control, the difference between the consideration for the disposal and the related carrying amount is recognised as a balancing entry in equity.

Assets, liabilities, off-balance sheet transactions, income, expenses and cash flows relating to transactions between consolidated companies are fully eliminated.

With reference to the voluntary totalitarian tender and exchange offer on all the shares of illimity Bank, presented by Banca Ifis in January 2025 and successfully concluded (for more details refer to the section "Voluntary totalitarian tender and exchange offer on all shares of illimity Bank" of the Interim Directors' report on the Group) on the basis of the analyses conducted and a careful assessment of the existing facts and circumstances, the acquisition date for the purposes of IFRS 3 was identified as 4 July 2025, as it was only on that date that Banca Ifis acquired effective control of illimity Bank S.p.A.. As a result, illimity Bank S.p.A. will be consolidated by Banca Ifis as of Q3 2025.

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 30 June 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.

Equity investments in exclusively controlled companies with significant minority interests

Minority interests, availability of minority votes and dividends distributed to minorities

Company Name	Minority interests %	Availability of minority votes % ⁽¹⁾	Dividends distributed to minorities
Banca Credifarma S.p.A.	12,26%	12,26%	1.046

(1) Availability of voting rights in the Annual Shareholders' Meeting

Equity investments with significant minority interests: accounting information

Company Name	Total assets	Cash and cash equivalents	Financial assets	Property, plant and equipment and intangible assets	Financial liabilities	Equity	Net interest income	Net banking income	Operating costs	Pre-tax profit (loss) for the period from continuing operations	Profit (loss) from current operations after tax	Profit (loss) of disposal groups, net of taxes	Profit (Loss) for the period (1)	Other comprehensive income, net of taxes (2)	Comprehensive income (3) = (1) + (2)
Banca Credifarma S.p.A.	745.914	8.466	722.163	822	558.836	126.950	14.488	17.661	(8.389)	9.556	6.320	-	6.320	3	6.323

Subsequent events

Events subsequent to the reporting date of these Condensed consolidated half-year financial statements as at 30 June 2025 are reported in the section 'Significant subsequent events' within the Interim Directors' report on the Group, to which reference should be made.

In any case, no significant events occurred in the period between the half-year reporting date (30 June 2025) and the date of its approval by the Board of Directors (1 August 2025), which could be classified as "adjusting events" within the meaning of IAS 10, i.e. events that lead to an adjustment of balance sheet and income statement information at the half-year reporting date.

With reference to the voluntary totalitarian tender and exchange offer on all the shares of illimity Bank, while referring for detailed information to the Interim Director's Report on the Group, the Offer Document, the Prospectus and all the documentation made available in accordance with the law as well as to the individual communications made from time to time on the development of the offer and its outcome, it should be noted that, on 1 July 2025, based on the final results of the offer for which the acceptances amount to 84,092% of the share capital of illimity Bank (equal to 70.694.489 illimity shares) and the fulfilment of the minimum threshold condition as well as the further conditions of the offer, the offer became unconditional and fully effective. With the transfer of the shares en bloc and the settlement of the consideration on 4 July 2025, the Banca Ifis Group acquired effective control of illimity Bank S.p.A. on that date.

Other aspects

Highlights for assessments at 30 June 2025

Liquidity considerations

As regards the aspects connected with liquidity and related risks, the Banca Ifis Group is constantly striving to improve the state of its financial resources, in terms of both size and cost, so as to have available liquidity reserves adequate for current and future business volumes.

The objective of the Group's operational liquidity management is to ensure the Banca Ifis Group's ability to meet its cash payment commitments over the short-term time horizon. The essential condition for normal business continuity in banking is the maintenance of a sustainable imbalance between cash inflows and outflows in the short term. From a management point of view, the reference metric in this respect is the difference between the net cumulative cash flow and the Counterbalancing Capacity, i.e. the liquidity reserve to cope with short-term stress conditions, in addition to the regulatory measure of the Liquidity Coverage Ratio (LCR). From a very short-term perspective, the Group adopts the intraday liquidity analysis and monitoring system with the aim of ensuring the normal development of the Bank's treasury day and its ability to meet its intraday payment commitments.

The Group's structural liquidity management aims to ensure the financial balance of the structure by maturity over the time horizon of more than one year. Maintaining an adequate ratio of medium- to long-term liabilities to assets is aimed at avoiding pressure on short-term funding sources, both current and prospective. The reference metrics refer to the regulatory indicator of the Net Stable Funding Ratio (NSFR) and, management-wise, to the gap ratios, which measure both the ratio of total funding and loans with maturities over 1 year and over 3 and 5 years.

At 30 June 2025, the Banca Ifis Group financial sources mainly consist of equity, on-line funding (Rendimax product), consisting of on-demand and time deposits, medium/long-term bonds issued as part of the EMTN programme, medium/long-term securitisation transactions, as well as funding from corporate customers. Funding in the form of repurchase agreements, entered into with leading banks, continued to be a significant source of funding in the first half of 2025. Lastly, with regard to funding from the Eurosystem, typically realised through MRO operations, the Parent company participates in weekly auctions on an ongoing basis (at 30 June 2025, there was an MRO operation for 500 million Euro, carried out in the last week of June and repaid on 2 July 2025).

The Group's activities in terms of liquidity consist of factoring operations, which focus mainly on trade receivables and receivables due from Italy's public administration maturing within the year, and medium/long-term receivables

deriving mainly from Leasing, Corporate banking, Structured Finance and Workout, Restructuring & Recovery operations; security portfolio management, mainly comprising eligible and readily liquid Italian government securities are also important.

As for the Group's operations concerning the Npl Segment and the segment relative to purchases of tax receivables arising from insolvency proceedings, the characteristics of the business model imply a high level of variability concerning both the amount collected and the date of actual collection. Therefore, the timely and careful management of cash flows is particularly important. To ensure expected cash flows are correctly assessed, also with a view to correctly pricing the transactions undertaken, the Group carefully monitors the trend in collections compared to expected flows.

The amount of high-quality liquidity reserves (mainly consisting of the balance of the management account with the Bank of Italy and the free portion of eligible securities) makes it possible to meet regulatory requirements (with respect to the limits of LCR and NSFR) and internal requirements relating to prudent management of liquidity risk. For more details on the main period liquidity trends, refer to the paragraph on "Liquidity risk" in the section on "Prudential consolidation risks" of the macro section "Information on risks and related hedging policies" of these Notes.

Significant accounting policies, valuations and estimates

The Banca Ifis Group's accounting policies in force at the date of this document have not changed in comparison with those valid for the Consolidated Financial Statements at 31 December 2024; please therefore refer to the information reported in paragraph "A.2 - Main items of the Financial Statements" of this Part A of the Notes to the Consolidated Financial Statements.

Instead, with regard to significant judgements and estimates that are adopted for the purpose of preparing the Condensed consolidated half-year financial statements at 30 June 2025, see what is reported in the immediately following sub-section entitled "Risks and uncertainties related to the use of estimates".

Risks and uncertainties related to the use of 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 Half-Year Financial 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 amount 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 financial statement estimates may become necessary as a result of changes in the circumstances on which they were based, new information or increased experience.

The accounting policies considered most critical to the true and fair representation of the Group's financial position, results of operations and cash flows are illustrated below, both for the materiality of the amounts to be recognised in the financial statements impacted by these policies, and for the high degree of judgement required in the valuations, which implies the use of estimates and assumptions by management, with reference to the specific sections of the Notes to the financial statements for detailed information on the valuation processes conducted at 30 June 2025. 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 types of assets 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 the Section "Information on risks and related hedging policies" of the Notes within this document.

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

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

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

The IFRS 9 impairment model requires, in fact, that losses be determined with reference to the time horizon of one year for financial assets that have not undergone a significant deterioration in credit risk since initial recognition (Stage 1) rather than by reference to the entire life of the instrument if a significant deterioration or indicator of impairment has been established (Stage 2 and Stage 3).

It therefore follows that the calculation of the relevant expected losses requires an articulated estimation process that mainly concerns:

- the determination of PD and LGD risk parameters including forward-looking information;
- the assessment of the presence of a significant increase in credit risk (SICR), based on criteria that consider qualitative and quantitative information;
- the measurement of certain elements necessary for the determination of estimated future cash flows arising from non-performing loans: the expected debt collection times, the presumed realisable value of any guarantees, the costs that it is deemed will be incurred to recover the credit exposure and lastly the likelihood of sale for positions for which there is a disposal plan.

Within the range of possible approaches to estimation models permitted by the relevant international accounting standards, the use of specific methodologies or the selection of certain estimation parameters may significantly influence the measurement of such assets. These methodologies and parameters are necessarily subject to a continuous updating process, also in light of the historical evidence available, with the aim of refining the estimates to better represent the estimated realisable value of the credit exposure.

With specific reference to climatic and environmental risk factors, the materiality analysis conducted led to their quantification as non-material.

For more information on the methods and models used to determine the ECL, as well as on the analyses performed by the Banca Ifis Group in respect of potential impacts connected with the introduction of customs duties by the US administration on European products, refer to the explanations given in the sub-paragraph "Measurement of expected credit losses (ECL)" contained in the "Credit risk" paragraph of the section "Information on risks and related hedging policies" of the Notes within this document.

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 amount 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. At 30 June 2025, goodwill entered under assets 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 30 June 2025 concerning the presence of any trigger events, which would call for impairment testing, the analysis did not reveal any such trigger events.

It is noted that the results of the test conducted on 31 December 2024 had led to the confirmation of the recoverability of the carrying amount recorded in the consolidated financial statements at that date.

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 30 June 2025 is 181,6 million Euro, including the 86,7 million Euro portion attributable to Law 214/2011 (equal to 48% 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 38,0 million Euro (or 21% of the total DTA) should be fully recovered from 2025 to 2032 (of which approximately 31 million Euro by 2029). The remaining 43,2 million Euro refers mainly to financial assets measured at fair value through other comprehensive income (FVOCI) and is therefore related to the performance of the related reserve. In view of the uncertainty surrounding the recoverability of DTAs related to the past tax losses of the subsidiary Cap.Ital.Fin. realised mainly prior to joining the tax consolidation programme, it was prudently decided not to recognise them; the unrecognised DTAs total 2,8 million Euro.

Deadlines for the approval and publication of the Consolidated Half-Year Financial Report

Pursuant to Article 154-ter of Italian Legislative Decree No. 59/98 (Consolidated Law on Finance), the Company must publish the Consolidated Half-Year Financial Report, including the Condensed consolidated half-year financial statements, the Interim directors' report on the Group, and the declaration as per article 154-bis, paragraph 5, as soon as possible, and in any case within three months of the end of the first half of the year. Banca Ifis Group's Consolidated Half-Year Financial Report at 30 June 2025 was submitted to the approval of the Bank's Board of Directors on 1 August 2025.

Coming into effect of new accounting standards

The Condensed consolidated half-year financial statements at 30 June 2025 have been drawn up in accordance with IAS 34 (Interim financial statements) and in compliance with the recording and measurement criteria of the IASs/IFRSs in force at the reporting date. See the paragraph "Statement of compliance with international accounting standards".

New accounting standards or amendments to existing accounting standards issued by the IASB and adopted by the European Union, as well as new interpretations or amendments to existing ones, published by the IFRIC, with

separate disclosure, whose mandatory application commences after the reporting date of these condensed consolidated half-year financial statements, are described below.

Standards issued, effective and applicable to these Condensed consolidated half-year financial statements

Standards approved and to be applied as mandatory for the preparation of the Condensed consolidated half-year financial statements at 30 June 2025

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)

On 15 August 2023, the IASB issued an amendment to IAS 21 with the aim of specifying the situations in which one currency is convertible into another, how to determine the exchange rate to be applied when one currency is not exchangeable for another, and the disclosure to be provided in such cases.

The changes under consideration have no significant impact on the Group's balance sheet, financial position and results of operations.

Standards issued but not yet approved

The following are the new international accounting standards or amendments to them, not yet endorsed by the European Commission, which are mandatory from a date that falls after the reference date of these Condensed consolidated half-year financial statements. The Group does not expect any significant impact deriving from the adoption of the following interpretations and amendments of existing international accounting standards to be material.

IFRS 18 "Presentation and Disclosure in Financial Statements"

On 9 April 2024, the IASB published the new accounting standard IFRS 18 "Presentation and Disclosure in Financial Statements", which replaces IAS 1 "Presentation of Financial Statements". The first application of the new standard is scheduled for 1 January 2027.

The new standard introduces three sets of new requirements to improve companies' financial reporting and provide investors with a better basis for analysis and comparison:

- better comparability in the income statement;
- greater transparency of performance measures defined by management;
- more useful grouping of information in the balance sheet.

The aforementioned changes, affecting the presentation of the profit and loss account and financial statement disclosure, will be implemented in the rules for compiling bank financial statements, governed by Bank of Italy Circular No. 262. Assessments are underway to verify, in addition to the impact in terms of a different presentation of information, any possible impact on the Group's statement of financial position.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

On 9 May 2024, the IASB published the new accounting standard IFRS 19 "Subsidiaries without Public Accountability: Disclosures" which will be applicable for reporting periods beginning on 1 January 2027.

IFRS 19 was instituted for subsidiaries of a Parent company that prepares its financial statements in accordance with IFRS, in order to reduce the cost of preparing IFRS financial statements by allowing reduced disclosure:

- for subsidiaries that use IFRS for SMEs or national accounting standards for their own financial statements, and that are often required to have a dual track for their own financial statements due to the different provisions contained in these standards compared to those in IFRS;
- for subsidiaries that use IFRS accounting standards for their financial statements and are required to provide disclosures that may be disproportionate to the information needs of their users.

This relief is only applicable to subsidiaries that do not have "public liability".

A subsidiary has public liability if:

- its debt or equity instruments are traded on a public market or is in the process of issuing such instruments for trading on a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- one of its main activities is holding assets in a fiduciary capacity for a large group of persons (e.g. banks, credit unions, insurance companies, securities brokers, mutual funds and investment banks).

Entities with the above characteristics may, but are not required to, apply IFRS 19 in their consolidated, separate or individual financial statements.

"Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7"

On 30 May 2024, the IASB issued an amendment to IFRS 9 (and, by extension, IFRS 7), whose first application is scheduled for 1 January 2026, resulting from the responses to the Post Implementation Reviews on the requirements of classification and measurement of IFRS 9 Financial instruments.

Specifically, the changes concern:

- classification of financial assets: some clarifications are introduced in the application guide for testing the characteristics of contractual cash flows, the SPPI test, which, if passed, allows assets to be classified at amortised cost. Included in this are amendments to clarify the treatment for the purposes of the SPPI test of financial assets with ESG characteristics that, upon the achievement (or non-achievement) of certain ESG KPIs, provide for a contractually defined variability of the interest rate (typically the increase and/or decrease of a certain number of basis points). The proposed approach is that for contracts in which the contingent event is not directly related to changes in basic lending risk and cost (e.g. a contractually defined reduction in the borrower's carbon emissions), the entity should establish an internal policy to assess that the cash flows of the instrument are not significantly different from those of an identical instrument without the contingent feature;
- cancellation of financial liabilities settled through electronic payment systems: The amendments clarify that financial liabilities are derecognised on the settlement date unless the entity opts to apply the new provisions that allow a financial liability settled through electronic payment systems to be derecognised prior to the settlement date if specific criteria are met. The amendment introduced by the IASB provides for the possibility (and not the obligation) to adopt an accounting policy to be applied uniformly to all settlements made through a specific electronic payment system;
- New disclosure requirements: IFRS 7 was amended to introduce new disclosure requirements with regard to:
 - financial instruments with contractual terms that can change the amount of cash flows upon the occurrence (or non-occurrence) of a contingent event not directly related to changes in basic lending risk and cost, e.g. in the case of ESG instruments;
 - capital instruments measured at fair value through other comprehensive income ("FVOCI").

The changes will be compulsorily applicable from 1 January 2026 after completion of the European approval process. There is also the possibility of early application of all changes or, alternatively, at the choice of the entity, only changes related to the classification of financial assets, together with related disclosures. The application of the amendments is retroactive in accordance with IAS 8, but without the obligation to restate the comparative period.

"Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7"

On 18 December 2024, the IASB published amendments aimed at better representing the effects of nature-dependent power supply contracts, which are often structured as power purchase agreements (PPAs). The amount of electricity generated under these contracts may vary depending on factors that cannot be controlled,

such as weather conditions. Current accounting requirements may not adequately capture the ways in which these contracts affect a company's performance. The changes include:

- clarification of the application of the requirements for "own use";
- the possibility of using hedge accounting if these contracts are used as hedging instruments;
- the addition of new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments under review, which will be effective for financial statements from 1 January 2026, with the possibility of early application, are not expected to have a significant impact on the Group's balance sheet, financial position and results of operations.

"Annual Improvements Volume 11"

On 18 July 2024, the IASB issued the customary "Annual Improvements to IFRS Accounting Standards - Volume 11". The document contains clarifications, simplifications, corrections and amendments to improve the effectiveness of the existing principles. Specifically, these refinements concern IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The changes will be effective for budgets from 1 January 2026, with the possibility of early application. These changes are not expected to have any significant impact on the Group's balance sheet, financial position and results of operations.

Disclosure of transfers of financial assets between portfolios

No transfers of financial assets between portfolios were made in the first half of 2025.

Fair value disclosure

Qualitative disclosure

Fair value is the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date, under current market conditions (i.e. the exit price), regardless of the fact that said price is directly observable or that another measurement approach is used.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

IFRS 13 establishes a fair value hierarchy based on the extent to which inputs to valuation techniques used to measure the underlying assets/liabilities are observable. Specifically, the hierarchy consists of three Levels:

- Level 1: the instrument's fair value is measured based on (unadjusted) quoted prices in active markets.
- Level 2: the instrument's fair value is measured based on valuation models using inputs observable in active markets, such as:
 - quoted prices for similar assets or liabilities;
 - quoted prices for identical or similar assets or liabilities in non-active markets;
 - observable inputs such as interest rates or yield curves, implied volatility, default rates and illiquidity factors;
 - inputs that are not observable but supported and confirmed by market data.
- Level 3: the instrument's fair value is measured based on valuation models using mainly inputs that are unobservable in active markets.

Each financial asset or liability of the Group is categorised in one of the above Levels, and the relevant measurements may be recurring or non-recurring (see IFRS 13, paragraph 93, letter a). The fair value measurement is categorised in its entirety in the same Level of the fair value hierarchy as the lowest Level input.

The choice among the valuation techniques is not optional, since these shall be applied in a hierarchical order: indeed, the fair value hierarchy gives the highest priority to (unadjusted) quoted prices available in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

Measurement techniques used to measure fair value are applied consistently on an on-going basis, as described below.

Fair value levels 2 and 3: valuation techniques and inputs used

In the absence of quoted prices in an active market, the fair value measurement of a financial instrument is performed using valuation techniques maximising the use of inputs observable on the market.

The use of a valuation technique is intended to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. In this case, the fair value measurement may be categorised in Level 2 or Level 3, according to what extent inputs to the pricing model are observable.

In the absence of observable prices in an active market for the financial asset or liability to be measured, the fair value of the financial instruments is measured using the so-called comparable approach (Level 2), requiring valuation models based on market inputs.

In this case, the valuation is not based on the quoted prices of the financial instrument being measured (identical asset), but on prices, credit spreads or other factors derived from the official quoted prices of instruments that are substantially similar in terms of risk factors and duration/return, using a given calculation method (pricing model).

In the absence of quoted prices in an active market for a similar instrument, or should the characteristics of the instrument to be measured not allow to apply models using inputs observable in active markets, it is necessary to use valuation models assuming the use of inputs that are not directly observable in the market and, therefore, requiring to make estimates and assumptions (non observable input - Level 3). In these cases, the financial instrument is measured using a given calculation method that is based on specific assumptions regarding:

- the trend in future cash flows, possibly contingent on future events whose probability of occurring can be derived from historical experience or based on behavioural assumptions;
- the Level of specific inputs not quoted on active markets: for the purposes of estimating them, information acquired from prices and spreads observed on the market shall have a higher priority. If these are not available, entities shall use historical data about the specific underlying risk factor or specialist research on the matter (e.g. reports by ratings agencies or primary market players).

In the cases described above, consideration is always given to the value of potentially making valuation adjustments taking into account the risk premiums that operators typically consider in pricing instruments. If not explicitly considered in the valuation model, valuation adjustments may include:

- model adjustment: adjustments that take into account any deficiencies in the valuation models highlighted during calibration;
- liquidity adjustment: adjustments that take into account the bid-ask spread if the model calculates a mid-price;
- credit risk adjustment: adjustments related to the counterparty or own credit risk;
- other risk adjustment: adjustments related to a risk premium "priced" in the market (e.g. relating to the complexity of valuation of an instrument).

With regard to fair value measurement, the Group adopts various methodologies, depending on the specific characteristics of the products being valued.

To measure receivables that must be measured at fair value, the method used is the Discounted Cash Flow (DCF) Model to receivables mandatorily measured at fair value, discounting the expected cash flows from each loan at

a market rate determined by taking into account the risk free rate (r_f) for similar maturities, the Cost of Funding (COF), the counterparty's credit risk, and the capital absorption cost.

For the measurement of unlisted equities, mainly income and financial models are used, in particular the method defined as "Market Multiples of Comparable Companies" to which a control method such as the "Discounted Cash Flow Model" or the "Comparable Transactions Method" is compared. The latter method is applied to transactions that have similar economic and asset characteristics to the one being valued and adjusted for the economic and asset magnitudes of the asset being valued.

With specific reference to the valuation of UCITS units, the approach used takes Net Asset Value (NAV) as the starting point for determining fair value. Thereafter, it must be verified whether, in determining the NAV, the fund's assets have been measured at fair value in accordance with the applicable international standards. A discount is applied to the NAV determined in this way using a structured rate as described below:

- liquidity adjustment: the liquidity discount must take into account the inability to mobilise the economic commitment in the short term. This discount, which refers to a time horizon expressing the average duration of the investments in the fund, is applied to the NAV defined above inversely proportional to changes in the NAV itself. Once the investment phase is over, the discount applied will decrease proportionally from year to year until it settles at the base discount applied for the first year;
- credit risk adjustment: the credit risk discount must take into account the probability of default of the underlying asset in which the fund invests;
- other risk adjustment: this category includes the discount of any other significant element known to the manager of the instrument at the time of measurement.

As for over-the-counter (OTC) derivatives not quoted in active markets, their fair value is calculated based on measurement techniques that take into account all risk factors that could affect the value of the financial instrument concerned, using observable market inputs (interest rates, exchange rates, share indexes, etc.) adjusted as appropriate to account for the creditworthiness of the specific counterparty, including the counterparty's credit risk (CVA, Credit Valuation Adjustment) and/or the Group's own credit risk (DVA, Debit Valuation Adjustment).

The change in interest rates, which occurred during the first half of 2025, affected the fair value of derivatives. However, with reference to the measurement of counterparty risk (Credit Valuation Adjustment and Debit Valuation Adjustment), as of 30 June 2025, the impact on the balance sheet values of derivatives with mark-to-market, both positive and negative, is substantially nil as almost all derivative financial instruments are securitised through Credit Support Agreements (CSA). The balance at 30 June 2025 of derivatives, for which there is no counterparty risk mitigation (CSA) element, should not be considered significant (93 thousand Euro, a reduction compared with the figure of 127 thousand Euro at 31 December 2024).

As for the measurement of financial assets and liabilities measured at fair value on a non-recurring basis, the relevant portfolio consists of on-balance-sheet exposures classified as performing with a residual life exceeding one year (medium-long term). Fair value is therefore by convention taken as equal to the carrying amount for all exposures classified as impaired, other than those of the Npl Segment, the ones with a residual life less than one year are excluded from the measurement, as, for these, the Bank believes that their carrying amount can be used as an approximation of fair value.

For non-performing loans (bad loans, unlikely to pay, past due) other than those of the Npl Sector, the fair value is conventionally assumed to be equal to the net carrying amount and is shown in Level 3. In this regard, it should be noted that, in the recent past, significant transactions of assignments of non-performing loans have been observed on the Italian market, with prices that have discounted the specific characteristics of the portfolios sold and the different yields demanded by the buyers. The fair value determined on the basis of the aforementioned transactions would therefore be characterised by a high dispersion of values, such that the identification of a reference value would not be objective.

For the purposes of measuring performing loans at fair value, given the absence of prices directly observable on active and liquid markets, entities shall use valuation techniques based on a theoretical model meeting the requirements of IAS/IFRS standards (Level 3). The approach used to determine the fair value of performing loans is the aforementioned DCF Model applied to loans with a residual maturity of more than one year, while the nominal amount is considered for other loans with short or no maturity. Future cash flows consist of the sum of principal and interest and are discounted using a rate formed by the credit spread (coverage curve) and the 3-month Euribor rate.

As for the receivables portfolio of the Npl Segment, which purchases and manages non-performing receivables mainly due from individuals, the specified DCF Model is used to calculate fair value. In this case, the expected net cash flows are discounted at a market rate. The market rate is calculated without considering a credit spread, since the credit risk of the individual counterparties is already incorporated in the statistical model used to estimate future cash flows with regard to collective management (non-judicial operations). The model projects the relevant cash flows based on historical evidence concerning the recovery of positions in the Group's portfolio. As for individual management (judicial operations), the projections of future cash flows are based on an internal algorithm or defined by the manager according to how the underlying receivable is being processed.

For financial liabilities at amortised cost, the fair value calculated for disclosure purposes is determined by applying the following methodologies:

- for medium- and long-term liabilities, the measurement is performed by discounting future cash flows using a market interest rate that incorporates its own credit risk component;
- for on-demand liabilities with short-term or indefinite maturity, the carrying amount is considered as a good approximation of fair value.

Measurement processes and sensitivity

In compliance with IFRS 13, for financial assets and liabilities measured at fair value categorised within Level 3, the Group tests their sensitivity to changes in one or more unobservable inputs used in the fair value measurements like, by way of example and in no means exhaustive, discount rates applied to cash flows or expected cash flows themselves.

With regard to debt security exposures measured at Level 3 fair value, amounting to 51,0 million Euro at 30 June 2025, the effects of potential changes in the parameters used are deemed not significant.

For equity securities and units of Level 3 UCITs, respectively equal, at 30 June 2025, to 157,2 million Euro (of which 84,8 million Euro measured at fair value through profit or loss and 72,4 million Euro measured at fair value through other comprehensive income) and 110,8 million Euro, it is generally not possible to perform any quantitative sensitivity analysis of fair value to changes in unobservable inputs, as either the fair value is derived from third-party sources, or it is the result of a model whose inputs are specific to the entity being valued (e.g. company assets) and for which the information necessary for a sensitivity analysis is not available.

Fair value hierarchy

Concerning recurring fair value measurements of financial assets and liabilities, the Banca Ifis Group transfers them between Levels of the hierarchy based on the following guidelines:

- for debt securities and financing:
 - the transfer from Level 3 to Level 2 takes place when the inputs to the valuation technique used are observable at the measurement date;
 - the transfer from Level 3 to Level 1 is allowed when it is confirmed that there is an active market for the instrument at the measurement date;
 - finally, they are transferred from Level 2 to Level 3 when some inputs relevant in measuring fair value are not directly observable at the measurement date.

- for equity instruments, the Level transfer takes place when:
 - observable inputs became available during the period (e.g. prices for identical assets and liabilities defined in comparable transactions between independent and knowledgeable parties). In this case, they are reclassified from Level 3 to Level 2;
 - inputs directly or indirectly observable used in measuring them are no longer available or current (e.g. no recent comparable transactions or no longer applicable multiples). In this case, the entity shall use valuation techniques incorporating unobservable inputs.

Quantitative information

Fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value Levels

Financial assets/liabilities measured at fair value (in thousands of Euro)	30.06.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	6.586	12.994	247.522	5.785	12.069	231.247
a) financial assets held for trading	890	12.994	-	-	12.069	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	5.696	-	247.522	5.785	-	231.247
2. Financial assets measured at fair value through other comprehensive income	919.817	5.814	72.361	623.522	5.574	72.734
3. Hedging derivatives	-	14.633	-	-	7.404	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	926.403	33.441	319.883	629.307	25.047	303.981
1. Financial liabilities held for trading	-	14.440	-	-	13.765	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	16.494	-	-	14.868	-
Total	-	30.934	-	-	28.633	-

Key:

L1 = Level 1: fair value of a financial instrument quoted in an active market;

L2 = Level 2 fair value measured using valuation techniques based on observable market inputs other than the financial instrument's price;

L3 = Level 3 fair value calculated using valuation techniques based on inputs not observable in the market.

At 30 June 2025, the impact of applying the Credit Valuation Adjustment to the carrying amounts of derivatives with a positive mark-to-market is essentially nil; as for the instruments with a negative mark-to-market, there is no impact resulting from the application of the Debit Valuation Adjustment to the carrying amounts of the derivatives.

With regard to hedging derivatives, all instruments are securitised through CSAs.

Financial assets held for trading and financial liabilities held for trading at 30 June 2025 comprise almost exclusively trading derivatives, all of which are classified as Level 2. In addition to these derivatives, assets include listed equity securities (Level 1) held for trading purposes in the amount of 0,9 million Euro.

Financial assets measured at fair value through other comprehensive income mainly consist of listed securities (Level 1). With regard to securities in Level 3, the amount includes shares in the Bank of Italy with a carrying amount of 50,0 million Euro.

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value Levels

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis (in thousands of Euro)	30.06.2025				31.12.2024			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	11.422.373	2.190.052	-	9.303.825	11.513.781	2.240.235	2.089	9.300.909
2. Property, plant and equipment held for investment purpose	210	-	-	210	210	-	-	210
3. Non-current assets and disposal groups	4.677	-	-	4.677	-	-	-	-
Total	11.427.260	2.190.052	-	9.308.712	11.513.991	2.240.235	2.089	9.301.119
1. Financial liabilities measured at amortised cost	11.645.432	1.569.032	395.860	10.008.797	11.597.750	1.455.245	112.439	9.917.719
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	11.645.432	1.569.032	395.860	10.008.797	11.597.750	1.455.245	112.439	9.917.719

Key

CA = Carrying amount

L1= Level 1: fair value of a financial instrument quoted in an active market;

L2= Level 2 fair value measured using valuation techniques based on observable market inputs other than the financial instrument's price;

L3= Level 3 fair value calculated using valuation techniques based on inputs not observable in the market.

Financial assets measured at amortised cost include payables due to banks and customers measured at amortised cost with a carrying amount at 30 June 2025 of 2.459,5 million Euro and a fair value of 2.431,0 million Euro (of which 2.190,1 million Euro at Level 1 and 240,9 million Euro at Level 3). This perimeter includes government bonds at amortised cost with a carrying amount at the end of June 2025 of 1.687,6 million Euro, corresponding to a Level 1 fair value of 1.656,7 million Euro. The balance reported at Level 3 consists mainly of credit exposures.

Non-current assets and groups of assets held for sale include a portfolio of non-performing loans of the Parent company Banca Ifis that are scheduled to be sold in the second half of 2025, corresponding to a Level 3 fair value of 4,7 million Euro.

Level 1 amortised cost financial liabilities relate to bonds issued by the Parent company Banca Ifis.

Disclosure on day one profit/loss

With reference to the provisions of IFRS 7 par. 28, a financial instrument must initially be recognised at a value equal to its fair value which, unless there is evidence to the contrary, is equal to the price paid/collected in trading. The above standard governs such cases by establishing that an entity may recognise a financial instrument at a fair value other than the consideration given or received only if the fair value is evidenced:

- by comparison with other observable current market transactions in the same instrument;
- through valuation techniques using exclusively, as variables, data from observable markets.

In other words, the assumption under IFRS 9, whereby fair value is equal to the consideration given or received, may be overcome only if there is objective evidence that the consideration given or received is not representative of the actual market value of the financial instrument being traded.

Such evidence must be derived only from objective and non-refutable parameters, thus eliminating any hypothesis of discretion on the part of the evaluator.

The difference between the fair value and the negotiated price, only when the above conditions are met, is representative of the day one profit and is immediately recognised in the income statement.

No such transactions were carried out as part of the Group's operations during the first half of 2025.

Group financials and income results

Statement of financial positions items

RECLASSIFIED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Cash and cash equivalents	409.630	505.016	(95.386)	(18,9)%
Financial assets mandatorily measured at fair value through profit or loss	253.218	237.032	16.186	6,8%
Financial assets measured at fair value through other comprehensive income	997.992	701.830	296.162	42,2%
Receivables due from banks measured at amortised cost	718.669	703.763	14.906	2,1%
Receivables due from customers measured at amortised cost	10.703.704	10.810.018	(106.314)	(1,0)%
Property, plant and equipment and intangible assets	283.001	252.153	30.848	12,2%
Tax assets	181.564	213.464	(31.900)	(14,9)%
Other assets	413.619	402.462	11.157	2,8%
Total assets	13.961.397	13.825.738	135.659	1,0%
Payables due to banks measured at amortised cost	2.638.963	1.443.250	1.195.713	82,8%
Payables due to customers measured at amortised cost	6.163.470	7.001.763	(838.293)	(12,0)%
Debt securities issued	2.842.999	3.152.737	(309.738)	(9,8)%
Tax liabilities	48.906	51.924	(3.018)	(5,8)%
Provisions for risks and charges	45.111	52.339	(7.228)	(13,8)%
Other liabilities	422.923	375.579	47.344	12,6%
Consolidated equity	1.799.025	1.748.146	50.879	2,9%
Total liabilities and equity	13.961.397	13.825.738	135.659	1,0%

Cash and cash equivalents

Cash and cash equivalents include bank current accounts on demand and at 30 June 2025 amount to 409,6 million Euro, down from 505,0 million Euro at the end of 2024. The general trend of the item during the first half 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 253,2 million Euro at 30 June 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	
	30.06.2025	31.12.2024	ABSOLUTE	%
Debt securities	50.999	69.042	(18.043)	(26,1)%
Equity securities	84.800	68.725	16.075	23,4%
UCITS units	116.495	98.058	18.437	18,8%
Loans	924	1.207	(283)	(23,4)%
Total	253.218	237.032	16.186	6,8%

In detail, the increase of 6,8% compared to 31 December 2024 can be broken down as follows:

- the 18,0 million Euro (-26,1%) decrease in debt securities is mainly the result of the negative net effect of new subscriptions, sales and redemption trend and collections for the period, with an essentially null effect of net fair value changes;
- the 16,1 million Euro increase (+23,4%) in equity securities is mainly due to the fair value changes during the period (+7,9 million Euro) and the subscription of new securities (+8,2 million Euro);
- the period increase in the balance of UCITS units (+18,4 million Euro, +18,8%), is recorded following the growth recorded in fair value measurements (+10,3 million Euro) and the positive contribution of net new subscriptions, net of redemptions and collections, of 8,1 million Euro;
- the decrease in the carrying amount of loans compared to 31 December 2024 (-23,4%), mainly as a result of period fair value measurements for a total of -0,3 million Euro.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income amount to 998,0 million Euro at 30 June 2025, up 42,2% 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	
	30.06.2025	31.12.2024	ABSOLUTE	%
Debt securities	799.549	544.936	254.613	46,7%
<i>of which: government securities</i>	<i>697.077</i>	<i>455.312</i>	<i>241.765</i>	<i>53,1%</i>
Equity securities	198.443	156.894	41.549	26,5%
Total	997.992	701.830	296.162	42,2%

Debt securities owned measured at fair value through other comprehensive income increase by 254,6 million Euro (+46,7%) compared to the balance at 31 December 2024, mainly due to the effect of new period investments (+246,7 million Euro), and the increase in the fair value measurements (+8,6 million Euro, mainly related to government bonds), whose effects were only partly offset by period disposals. The related associated net negative fair value reserve amounts to 10,2 million Euro at 30 June 2025, almost entirely associated with Government securities.

This item also includes equity securities attributable to non-controlling interests, which amount to 198,4 million Euro at 30 June 2025, up 26,5% compared to 31 December 2024, mainly due to investments made in the period (+83,0 million Euro), only partly offset by the effects of disposals during the period (-39,7 million Euro) and by the decline recorded in fair value amounts in the first half of 2025 (-1,9 million Euro). The net fair value reserve associated with this portfolio at 30 June 2025 shows a negative value of 6,2 million Euro, better than the negative figure posted at the end of 2024, which was 7,7 million Euro, mainly due to security disposals during the period.

Receivables due from banks measured at amortised cost

Total receivables due from banks measured at amortised cost amount to 718,7 million Euro at 30 June 2025, substantially in line with the figure at 31 December 2024 (equal to 703,8 million Euro), as the 146,2 million Euro increase in maturing deposits with the Parent company Banca Ifis was almost entirely offset by the 135,6 million Euro negative change in debt securities of banking issuers with a "Held to Collect (HTC)" business model and which passed the SPPI Test. These securities at 30 June 2025 have a carrying amount of 420,5 million Euro, a reduction compared to the figure at December 2024 (-24,4%), insofar as the effect of new bank bond subscriptions during the period (+51,6 million Euro) was more than offset by that of disposals made in the first half of 2025, within the limits envisaged by the Group policy (-184,4 million Euro).

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 10.703,7 million Euro, a slight decline on the 31 December 2024 figure of 10.810,0 million Euro. The item includes debt securities for 2,0 billion Euro (1,9 billion Euro at 31 December 2024, +4,6%), of which government securities for 1,7 billion Euro (+6,9% compared with 31 December 2024). In the absence of the debt securities component, receivables due from customers amount to 8.664,6 million Euro, down 2,2% 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 6.933,9 million Euro, essentially in line with the 6.985,6 million Euro at December 2024. The trend shows a decrease in the Factoring Area (-189,1 million Euro, -6,5%) and an increase in the Corporate Banking Area (+127,4 million Euro, +5,2%), while the Leasing Area remains substantially stable;
- receivables due from customers in the Npl Segment amount to 1.546,8 million Euro, broadly in line with 31 December 2024;
- the contribution of the Governance & Services and Non-Core Segment comes to 2.223,0 million Euro, down 80,4 million Euro with the end-of-2024 figure.

RECEIVABLES DUE FROM CUSTOMERS BREAKDOWN BY SEGMENT (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Commercial & Corporate Banking Segment	6.933.907	6.985.624	(51.717)	(0,7)%
- of which non-performing	190.750	193.814	(3.064)	(1,6)%
Factoring Area	2.710.999	2.900.077	(189.078)	(6,5)%
- of which non-performing	74.936	78.026	(3.090)	(4,0)%
Leasing Area	1.622.958	1.612.971	9.987	0,6%
- of which non-performing	13.837	13.311	526	4,0%
Corporate Banking & Lending Area	2.599.951	2.472.576	127.375	5,2%
- of which non-performing	101.977	102.477	(500)	(0,5)%
Npl Segment	1.546.796	1.521.001	25.795	1,7%
- of which non-performing	1.525.210	1.496.755	28.455	1,9%
Governance & Services and Non-Core Segment ⁽¹⁾	2.223.001	2.303.393	(80.392)	(3,5)%
- of which non-performing	50.011	29.002	21.009	72,4%
Total receivables due from customers	10.703.704	10.810.018	(106.314)	(1,0)%
- of which non-performing	1.765.971	1.719.571	46.400	2,7%

(1) In the Governance & Services and Non-Core Segment, at 30 June 2025, there are government securities amounting to 1.687,6 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 1.766,0 million Euro at 30 June 2025, compared to 1.719,6 million Euro at 31 December 2024 (+2,7%).

Net of this item relative to the Npl Segment, net non-performing loans come to 240,8 million Euro, up 17,9 million Euro compared with the 222,8 million Euro recorded at 31 December 2024, mainly due to the contribution made by the Governance & Services and Non-Core Segment.

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
	30.06.2025	31.12.2024	%
Net Npe ratio	3,2%	2,9%	0,3%
Gross Npe ratio	5,8%	5,4%	0,4%

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

Intangible assets and property, plant and equipment

Intangible assets come to 90,5 million Euro, up 5,9% 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 52,5 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 192,5 million Euro, an increase of 15,5% compared to the figure of 166,7 million Euro at 31 December 2024, mainly as a result of the investments made in the first half of 2025 by the Parent company Banca Ifis.

Properties recorded at 30 June 2025 under tangible assets include the sixteenth-century Villa Fürstenberg ("Villa Marocco"), located in Mestre - Venice and historical headquarters of the Group, which houses the Banca Ifis International Sculpture Park within its more than 22 hectares of garden.

Tax assets and liabilities

National consolidated tax regime

The companies Banca Ifis S.p.A., Ifis Npl Investing S.p.A., Ifis Rental Services S.r.l., Ifis Npl Servicing S.p.A. and Cap.Ital.Fin. S.p.A., together with the ultimate Parent company La Scogliera S.A., have opted for the application of group taxation (tax consolidation) in accordance with articles 117 et seq. of Italian Presidential Decree No. 917/86.

Transactions between these companies were regulated by means of a private written agreement between the parties. This agreement will lapse after three years.

Adhesion to the tax consolidation allows the taxable income of the participating companies to be offset against each other (using the losses and the ACE realised during the adhesion period).

As envisaged by applicable regulations, adhering entities have an address for the service of notices of documents and proceedings relating to the tax periods for which this option is exercised at the office of La Scogliera S.A., the secondary Italian branch.

Under this tax regime, the taxable profits and tax losses reported by each entity for the first half of 2025 are transferred to the consolidating company La Scogliera.

The receivable from the tax consolidating company La Scogliera, recorded under "Other assets", amounts to 14,5 million Euro, while the related payable, recorded under "Other liabilities" in this Consolidated Half-Year Financial Report, amounts to 19,7 million Euro at 30 June 2025, of which 17,6 million Euro accrued to the subsidiary Ifis Npl Investing. The net debt to the tax consolidating company La Scogliera amounts therefore to 5,2 million Euro.

Please refer to the section "Voluntary totalitarian tender and exchange offer on all shares of illimity Bank" in the Interim Directors' report on the Group for the indirect effects on the national tax consolidation due to the acquisition of illimity Bank.

Tax assets and liabilities: breakdown

These items include current and deferred tax assets and liabilities.

Tax assets total 181,6 million Euro, down 31,9 million Euro compared with 31 December 2024.

More specifically, current tax assets amount to 13,6 million Euro and are down 28,4 million Euro (-67,7%) compared with the figure at 31 December 2024.

Deferred tax assets ("DTAs") amount to 168,0 million Euro, down 3,5 million Euro compared with 31 December 2024 and consist mainly of 86,7 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), 38,0 million Euro of assets recognised for prior tax losses and aid for economic growth benefit (40,0 million Euro at 31 December 2024) and 43,2 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 30 June 2025, please refer to the section "Risks and uncertainties related to estimates" within the "Other aspects" section of the "Accounting policies" macro section of these Notes.

Tax liabilities amount to 48,9 million Euro (51,9 million Euro at 31 December 2024) and are made up as follows:

- current tax liabilities of 17,4 million Euro (23,3 million Euro at 31 December 2024) representing the tax burden accrued during the period;

- deferred tax liabilities, amounting to 31,5 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 30 June 2025:

- the "deferred tax assets that rely on future profitability and do not arise from temporary differences" are subject to deduction from CET1; at 30 June 2025, the deduction is 38 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 16,6 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 30 June 2025, these assets amount to 34,2 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 14,9 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 30 June 2025, the corresponding weight totals 86,7 million Euro;
- "current tax assets" receive a 0% weight as they are exposures to the Central Government.

Other assets and liabilities

Other assets, of 413,6 million Euro as compared to a balance of 402,5 million Euro at 31 December 2024, include:

- financial assets held for trading for 13,9 million Euro (12,1 million Euro at 31 December 2024), referring 13,0 million Euro to derivatives balanced by opposite positions entered amongst financial liabilities held for trading and 0,9 million Euro trading equity securities;
- 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 14,6 million Euro at 30 June 2025;
- equity investments have a balance of 24 thousand Euro, unchanged compared with the balance as at 31 December 2024;
- non-current assets and disposal groups in the amount of 4,7 million Euro, relating to a portfolio of non-performing loans of the Parent company Banca Ifis, which are expected to be sold in the second half of 2025;
- other assets of 380,4 million Euro (383,0 million Euro at 31 December 2024), which include tax receivables of 135,1 million Euro (of which 115,5 million Euro related to tax credits for Super Ecobonus and other building tax bonuses worth a nominal amount of 129,5 million Euro, a reduction compared with the carrying amount of 163,0 million Euro at 31 December 2024), transitory items and effects portfolio for 103,8 million Euro (up 42,6 million Euro compared with December 2024), accrued income and deferred expenses for 75,5 million Euro (+7,0 million Euro compared with December 2024) and receivables from the tax consolidating company La Scogliera connected to the Group's tax consolidation for 14,5 million Euro (down 10,5 million Euro compared with December 2024). It should be noted that the balance at 31 December 2024 relating to the receivable from the tax consolidating company La Scogliera was entirely collected during the first half of 2025, and therefore the balance due from the tax consolidating company at 30 June 2025 refers exclusively to advances paid in respect of 2025.

Other liabilities come to 422,9 million Euro, an increase of 12,6% compared with 375,6 million Euro at 31 December 2024, and mainly consist of:

- trading derivative liabilities for 14,4 million Euro, mainly referring to transactions balanced by opposite positions entered amongst financial assets held for trading, showing an increase of 4,9% on 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 16,5 million Euro at 30 June 2025, up from the balance of 14,9 million Euro at 31 December 2024;
- severance indemnity payable for 7,3 million Euro, 3,3% down on the figure of 31 December 2024 (7,6 million Euro);
- other liabilities for 384,7 million Euro, up 13,3% from 339,4 million Euro at 31 December 2024. More specifically, the most significant items making up the balance at 30 June 2025 largely refer to operating payables for 120,9 million Euro, to transitional items and payables due to customers that have not yet been allocated for 104,3 million Euro and to payables due to La Scogliera for 19,7 million Euro relative to the Group tax consolidation (29,1 million Euro at 31 December 2024). In particular, it should be noted that the debt exposure at 31 December 2024 towards La Scogliera, was entirely paid off during the first half of 2025 and, therefore, the balance towards the tax consolidating company at 30 June 2025 refers exclusively to tax items pertaining to the first half of 2025.

Funding

FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Payables due to banks	2.638.963	1.443.250	1.195.713	82,8%
- Payables due to Central banks	500.149	419.286	80.863	19,3%
<i>of which: MRO</i>	<i>500.149</i>	<i>400.035</i>	<i>100.114</i>	<i>25,0%</i>
<i>of which: Other deposits</i>	<i>-</i>	<i>19.251</i>	<i>(19.251)</i>	<i>(100,0)%</i>
- Repurchase agreements	1.593.081	630.540	962.541	152,7%
- Other payables	545.733	393.424	152.309	38,7%
Payables due to customers	6.163.470	7.001.763	(838.293)	(12,0)%
- Repurchase agreements	457.874	1.045.734	(587.860)	(56,2)%
- Retail	4.544.938	4.789.355	(244.417)	(5,1)%
- Other term deposits	397.817	399.765	(1.948)	(0,5)%
- Lease payables	23.890	23.525	365	1,6%
- Other payables	738.951	743.384	(4.433)	(0,6)%
Debt securities issued	2.842.999	3.152.737	(309.738)	(9,8)%
Total funding	11.645.432	11.597.750	47.682	0,4%

Total funding amounts to 11,6 billion Euro at 30 June 2025 and is essentially in line with the figure at 31 December 2024; it is represented for 52,9% by payables due to customers (60,4% at 31 December 2024), for 24,4% by debt securities issued (27,2% at 31 December 2024), and for 22,7% by payables due to banks (12,4% at 31 December 2024).

Payables due to banks come to 2,6 billion Euro, up 82,8% compared to the figure for end December 2024 mainly due to growth in repurchase agreements payable to banks of 962,5 million Euro. In the area of MROs, the Parent company Banca Ifis participates in weekly auctions on an ongoing basis, and at 30 June 2025 there is an MRO operation for 500 million Euro, carried out in the last week of June and repaid on 2 July 2025.

Payables due to customers at 30 June 2025 total 6,2 billion Euro, down 12,0% compared to 31 December 2024. The reduction is driven by repurchase agreements with customers, which amount to 457,9 million Euro (-587,9 million Euro compared to the balance at the end of 2024) and retail funding, which amounts to 4,5 billion Euro at the end of June 2025 (-5,1% compared to 31 December 2024).

Debt securities issued amount to 2,8 billion Euro at 30 June 2025, down by 309,7 million Euro (-9,8%) mainly following the purchase by the Parent company Banca Ifis of all the senior securities of the Emma securitisation for 220,8 million Euro, previously subscribed by Duomo Funding Plc (for more details, refer to the specific "Liquidity risk" paragraph within the "Prudential consolidation risks" section of the Notes to the Financial Statements), and the normal amortisation of the Group's other securitisation securities (-96,6 million Euro compared to December 2024). Debt securities issued at 30 June 2025 consist of:

- securities issued by the SPV ABCP Programme for 927,8 million Euro relating to the senior tranche;
- securities issued by the SPV Indigo Lease for 400,2 million Euro relating to the senior tranche;
- a subordinated loan for 386,5 million Euro, showing an increase of 13,5 million Euro compared 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 at 30 June 2025 stands at 3,43%, down from the figure of 3,90% for the average of the first half of 2024.

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

RETAIL FUNDING (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Short-term funding (within 18 months)	3.470.538	3.675.749	(205.211)	(5,6)%
<i>of which: Unrestricted</i>	459.446	466.046	(6.600)	(1,4)%
<i>of which: Like/One</i>	241.586	251.276	(9.690)	(3,9)%
<i>of which: restricted</i>	2.585.748	2.598.764	(13.016)	(0,5)%
<i>of which: German deposit</i>	183.758	359.663	(175.905)	(48,9)%
Medium/long-term funding (beyond 18 months)	1.074.400	1.113.606	(39.206)	(3,5)%
Total retail funding	4.544.938	4.789.355	(244.417)	(5,1)%

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Provisions for credit risk related to commitments and financial guarantees granted	5.549	5.222	327	6,3%
Provisions on other commitments and guarantees given	231	337	(106)	(31,5)%
Provisions for pensions	268	231	37	16,0%
Legal and tax disputes	22.394	28.337	(5.943)	(21,0)%
Personnel expenses	115	1.931	(1.816)	(94,0)%
Other provisions	16.554	16.281	273	1,7%
Total provisions for risks and charges	45.111	52.339	(7.228)	(13,8)%

Below is the breakdown of the provision for risks and charges at 30 June 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 30 June 2025, this item amounts to 5,5 million Euro, reflecting the impairment losses on irrevocable commitments to disburse funds and financial guarantees granted by the Group and is up 6,3% compared with the figure at 31 December 2024.

Provisions on other commitments and guarantees given

As at 30 June 2025, the balance of this item is 231 thousand Euro, a decrease of 106 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 30 June 2025, this fund has a balance of 268 thousand Euro, up 16,0% compared with 31 December 2024, due to period provisions made.

Legal and tax disputes

At 30 June 2025, provisions are entered for legal and tax disputes for a total of 22,4 million Euro, a reduction on the 28,3 million Euro recorded at 31 December 2024. The decrease of 5,9 million Euro is mainly due to the release of provisions for risks and charges attributable to some individually significant positions, of which 4,1 million Euro was mainly attributable to the positive resolution of an outstanding dispute related to the Factoring Area. During the course of the period, 44 lawsuits were closed, whose provision set aside at the beginning of the period amounted to 0,7 million Euro, and 57 new lawsuits were opened, whose provision for associated risks and charges at 30 June 2025 amounts to 0,6 million Euro.

Personnel expenses

At 30 June 2025, provisions are entered for personnel-related expenses for 0,1 million Euro, down 1,8 million Euro compared with 31 December 2024. The reduction is mainly attributable to the period release of the Solidarity Fund of the Parent company Banca Ifis.

Other provisions for risks and charges

As at 30 June 2025, "Other provisions" are in place for 16,6 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 30 June 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 480,2 million Euro at 30 June 2025 (of which 13,1 million Euro related to tax disputes); the main developments 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.

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.

With reference to 2017, the Court of First Instance rejected the appeal of Banca Ifis, which, however, supported on this point by its external lawyers, will be able to appeal by the end of 2025.

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. In addition, the Court of First Instance ordered the suspension of the payment of the prescribed third party following the existence of the *fumus boni iuris*.

Consolidated equity

Consolidated equity at 30 June 2025 totals 1.799,0 million Euro, up 2,9% 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	
	30.06.2025	31.12.2024	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	93.364	85.391	7.973	9,3%
Valuation reserves:	(21.573)	(28.144)	6.571	(23,3)%
- securities	(15.040)	(23.150)	8.110	(35,0)%
- defined benefit plans (e.g. severance indemnity)	651	574	77	13,4%
- Exchange differences	(5.472)	(5.437)	(35)	0,6%
- hedging of equity securities at fair value through other comprehensive income	(1.712)	(131)	(1.581)	n.s.
Reserves	1.584.440	1.543.729	40.711	2,6%
Interim dividends (-)	-	(63.084)	63.084	(100,0)%
Treasury shares (-)	(13.701)	(20.971)	7.270	(34,7)%
Equity attributable to non-controlling interests	15.566	15.836	(270)	(1,7)%
Profit for the period attributable to the Parent company	87.118	161.578	(74.460)	(46,1)%
Consolidated equity	1.799.025	1.748.146	50.879	2,9%

CONSOLIDATED EQUITY: CHANGES	(in thousands of Euro)
Consolidated equity at 31.12.2024	1.748.146
Increases:	103.820
Profit for the period attributable to the Parent company	87.118
Sale/assignment of treasury shares	6.893
Change in valuation reserve:	9.034
- securities (net of realisations)	8.957
- defined benefit plans (e.g. severance indemnity)	77
Equity attributable to non-controlling interests (comprehensive income for the period)	775
Decreases:	52.941
Dividends distributed	48.826
Change in valuation reserve:	2.125
- exchange differences	35
- hedging of equity securities at fair value through other comprehensive income (net of realisations)	2.090
Equity attributable to non-controlling interests (dividends distributed to third parties)	1.045
Other changes	945
Consolidated equity at 30.06.2025	1.799.025

Income statements items

Formation of net banking income

Net banking income totals 284,9 million Euro, a reduction compared with the figure of 295,5 million Euro at 30 June 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 HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net interest income	176.483	208.318	(31.835)	(15,3)%
Net commission income	44.354	46.909	(2.555)	(5,4)%
Other components of net banking income	64.090	40.242	23.848	59,3%
Net banking income	284.927	295.469	(10.542)	(3,6)%

Net interest income amounts to 176,5 million Euro, down from the figure of 208,3 million Euro at 30 June 2024, due to a reduction in the contribution of all Segments, in particular that of the Governance & Services and Non-Core Segment (-19,5 million Euro), which was affected by both the lower marginality on the treasury side (-15,3 million Euro) and the physiological lower contribution of a run-off portfolio (which is the main cause of the remaining negative change of 4,2 million Euro).

Net commissions amount to 44,4 million Euro, a decrease of 46,9 million Euro compared to the figure at 30 June 2024, mainly due to negative contributions from the Factoring Area (-3,0 million Euro) and the Corporate Banking & Lending Area (-0,4 million Euro). In particular:

- commission income, totalling 54,2 million Euro, down 2,5 million Euro compared with 30 June 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 9,8 million Euro, essentially in line with the figure of 30 June 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 64,1 million Euro at 30 June 2025, up by 23,8 million Euro compared with the first half of 2024. Below are details of the components:

- net gains from the sale/repurchase of financial assets and liabilities of 29,4 million Euro (+12,7 million Euro compared to net gains of 16,7 million Euro at 30 June 2024), mainly comprising 12,2 million Euro related to securities transactions in the proprietary portfolio mainly for the disposals of debt securities (broadly in line with the 10,3 million Euro recorded in H1 2024), of which 6,3 million Euro related to bank debt securities and 4,9 million Euro relative to government securities and 17,3 million Euro from the disposals of loans in the Npl Segment (showing significant growth compared with the figure of 6,3 million Euro at 30 June 2024);
- net positive result of other financial assets and liabilities at fair value through profit or loss of 18,0 million Euro (up by 5,2 million Euro compared to the figure at 30 June 2024), mainly represented by the net positive change in fair value in the first half of 2025 of UCITS fund units for 10,3 million Euro (up by 8,7 million Euro compared to 30 June 2024) and equity securities of 7,9 million Euro, a decrease of 2,8 million Euro compared to the figure at 30 June 2024 (which, however, included the capital gain on the sale of 6,0 million Euro of equity financial instruments arising from a debt restructuring transaction of a Non-Core unit position);

- dividends generated by shares in the Group's own portfolio in the amount of 17,3 million Euro (+8,6 million Euro compared to the figure for the first half of 2024);
- negative net result from trading activities of 0,4 million Euro as a worsening of 3,8 million Euro compared to the positive net result of 3,4 million Euro in the first half of 2024, mainly due to the poorer performance of trading derivatives (-3,7 million Euro compared to the balance at 30 June 2024);
- net hedging, negative for 0,1 million Euro at 30 June 2025, a significant improvement compared to the negative figure of 1,3 million Euro at 30 June 2024.

Formation of net profit (loss) from financial activities

The Group's net profit from financial activities totals 332,0 million Euro, a decrease compared to 358,4 million Euro at 30 June 2024 (-7,4%).

FORMATION OF NET PROFIT (LOSS) FROM FINANCIAL ACTIVITIES (in thousands of Euro)	FIRST HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net banking income	284.927	295.469	(10.542)	(3,6)%
Net credit risk losses/reversals on:	47.093	62.938	(15.845)	(25,2)%
<i>a) financial assets measured at amortised cost</i>	47.391	62.442	(15.051)	(24,1)%
<i>b) financial assets measured at fair value through other comprehensive income</i>	(298)	496	(794)	n.s.
Net profit (loss) from financial activities	332.020	358.407	(26.387)	(7,4)%

Net credit risk write-backs total 47,1 million Euro at 30 June 2025, worsening by 15,8 million Euro on the 62,9 million Euro at 30 June 2024. This item includes the impact of the changes in estimated cash flows from the Npl Segment's receivables, which, pursuant to IFRS 9, are included within POCI ("Purchased or originated credit-impaired") loans. These valuation effects related to the Npl Segment amount to net write-backs of 66,0 million Euro as at 30 June 2025, compared to net write-backs of 79,1 million Euro as at 30 June 2024, and related to the change in expected cash flows as a function of realised collections compared to forecasts.

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

Formation of net profit for the period

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

FORMATION OF NET PROFIT (in thousands of Euro)	FIRST HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Net profit (loss) from financial activities	332.020	358.407	(26.387)	(7,4)%
Operating costs	(205.245)	(214.952)	9.707	(4,5)%
Pre-tax profit from continuing operations	126.775	143.455	(16.680)	(11,6)%
Income taxes for the period relating to continuing operations	(38.882)	(48.990)	10.108	(20,6)%
Profit (loss) for the period	87.893	94.465	(6.572)	(7,0)%
Profit (loss) for the period attributable to non-controlling interests	(775)	(851)	76	(8,9)%
Profit (loss) for the period attributable to the Parent company	87.118	93.614	(6.496)	(6,9)%

Operating costs total 205,2 million Euro, showing a decrease of 9,7 million Euro compared with 30 June 2024.

OPERATING COSTS (in thousands of Euro)	FIRST HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Administrative expenses:	213.926	219.216	(5.290)	(2,4)%
<i>a) personnel expenses</i>	85.097	86.613	(1.516)	(1,8)%
<i>b) other administrative expenses</i>	128.829	132.603	(3.774)	(2,8)%
Net allocations to provisions for risks and charges	(5.315)	440	(5.755)	n.s.
Net impairment losses/reversals on property, plant and equipment and intangible assets	13.628	10.820	2.808	26,0%
Other operating income/expenses	(16.994)	(15.524)	(1.470)	9,5%
Operating costs	205.245	214.952	(9.707)	(4,5)%

Personnel expenses drop by 1,8% to 85,1 million Euro compared with the same period of the previous year. The number of Group employees at 30 June 2025 is 2.043, a 3,2% increase compared with the 1.979 resources at 30 June 2024.

Other administrative expenses at 30 June 2025 are 128,8 million Euro, down 3,8 million Euro on 30 June 2024. This change is mainly due to costs for outsourced services and charges related to the banking system, which show reductions of 9,3 million Euro and 8,1 million Euro, respectively, compared to the same period of the previous year, which more than offset the significant increase in non-recurring administrative expenses (+9,2 million Euro) related to the voluntary totalitarian tender and exchange offer on illimity Bank carried out in 2025.

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

OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	FIRST HALF OF		CHANGE	
	2025	2024	ABSOLUTE	%
Expenses for professional services	60.720	67.365	(6.645)	(9,9)%
Legal and consulting fees	43.192	40.543	2.649	6,5%
Fees to auditing firms	624	574	50	8,7%
Outsourced services	16.904	26.248	(9.344)	(35,6)%
Direct and indirect taxes	18.903	18.563	340	1,8%
Expenses for purchasing goods and other services	39.624	38.259	1.365	3,6%
Software assistance and hire	11.215	10.848	367	3,4%
Advertising and inserts	7.597	7.303	294	4,0%
Property expenses	5.224	3.997	1.227	30,7%
Customer information	3.301	5.255	(1.954)	(37,2)%
Business travel and transfers	2.703	1.929	774	40,1%
Car fleet management and maintenance	1.849	1.838	11	0,6%
Telephone and data transmission expenses	1.579	1.861	(282)	(15,2)%
Postage and archiving of documents	1.400	1.895	(495)	(26,1)%
Securitisation costs	722	832	(110)	(13,2)%
Other sundry expenses	4.034	2.501	1.533	61,3%
Charges related to the banking system	21	8.096	(8.075)	(99,7)%
Non-recurring administrative expenses	9.561	320	9.241	n.s.
Total other administrative expenses	128.829	132.603	(3.774)	(2,8)%

The sub-item "Expenses for professional services" is 60,7 million Euro at 30 June 2025, down by 6,6 million Euro compared with the figure at 30 June 2024 (-9,9%) and mainly consists of:

- costs for "Legal and consulting services", which come to 43,2 million Euro during the first half of 2025, up 6,5% on the figure recorded for the same period of last year;
- costs for "Outsourced services", which amount to 16,9 million Euro at 30 June 2025, record a decrease of 9,3 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 18,9 million Euro, essentially in line with the figure at 30 June 2024. The item mainly consists of the registration tax incurred for the judicial recovery of receivables belonging to non-performing loans for an amount of 10,7 million Euro at 30 June 2025 (11,7 million Euro during the same period of the previous year), and also includes costs for stamp duty for 7,4 million Euro (up 1,2 million Euro compared with the 30 June 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 39,6 million Euro, a 3,6% increase on 30 June 2024. The factors that mainly influence the result are:

- costs for "Software support and rental", which amount to 11,2 million Euro and show an increase (+3,4%) compared with the figure at 30 June 2024;
- expenses for "Advertising and inserts", which increase from 7,3 million Euro to 7,6 million Euro at June 2025 (+0,3 million Euro compared with 30 June 2024);
- "Property expenses", which amount to 5,2 million Euro and increase by 30,7% compared to June 2024 (+1,2 million Euro);

- "Customer information costs", which are 3,3 million Euro at 30 June 2025, down 2,0 million Euro on 30 June 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 21 thousand Euro. The balance compared with 30 June 2024 was 8,1 million Euro, insofar as it referred to the cost of the annual contribution to the Interbank Deposit Protection Fund (FITD), of which 7,9 million Euro relates to Banca Ifis and the remainder to Banca Credifarma.

The item "Non-recurring administrative expenses" shows a balance of 9,6 million Euro at 30 June 2025 and mainly refers to non-recurring costs linked to the voluntary totalitarian tender and exchange offer on all the shares of illimity Bank, submitted by Banca Ifis in January 2025 and successfully completed (for more details refer to the section "Voluntary totalitarian tender and exchange offer on all shares of illimity Bank" of the Interim Directors' report on the Group). This figure is a significant increase compared to the balance at 30 June 2024, amounting to 320 thousand Euro, which referred to the residual costs pertaining to the first half of 2024 connected to the integration of the former Revalea within the Banca Ifis Group and, specifically, the Npl Segment.

Net allocations to provisions for risks and charges at 30 June 2025 show net releases of 5,3 million Euro, while the balance at 30 June 2024 recorded net allocations to provisions made of 0,4 million Euro.

Net adjustments to property, plant and equipment and intangible assets at 30 June 2025 amount to 6,7 million Euro and 6,9 million Euro, respectively, and increase by 15,4% and 38,2%, 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 half of 2025.

Other net operating income, amounting to 17,0 million Euro at 30 June 2025, increases by 1,5 million Euro (+9,5%) compared with 30 June 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 at 30 June 2025 amount to 205,2 million Euro, down 9,7 million Euro compared with the balance of June 2024.

Profit from current operations before tax amounts to 126,8 million Euro, down 11,6% compared to the 30 June 2024 figure of 143,5 million Euro, mainly because the figure for the first half of 2025 includes the above-mentioned non-recurring costs of 9,6 million Euro related to the illimity voluntary totalitarian tender and exchange offer within the item "other administrative expenses".

Income tax at 30 June 2025 comes to 38,9 million Euro and the tax rate is 30,67%, down compared with the 34,15% recorded at 30 June 2024.

The net profit attributable to the Parent company amounts to 87,1 million Euro, down 6,5 million Euro on the H1 2024 figure.

Information on Risks and Risk Management Policies

Risk governance organisation

The prudential supervisory provisions for banks continue to strengthen the system of rules and incentives that allow to measure more accurately potential risks connected to banking and financial operations as well as maintain internal capital levels more suited to the effective level of risk exposure of each intermediary.

Concerning risk governance, the Group regularly reviews the strategic guidelines set out in the so-called Risk Appetite Framework. Meanwhile, the Pillar 2 of the provisions includes the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) processes, pursuant to which the Group autonomously assesses, respectively, its own current and expected capital adequacy in relation to both so-called Pillar 1 risks (credit risk, counterparty risk, market risk and operational risk) and other risks (banking book interest rate risk, concentration risk, etc.), and its adequacy as far as the governance and management of liquidity risk and funding is concerned.

With reference to 31 December 2024 and in compliance with the obligations in the Pillar 3 provisions, the Banca Ifis Group published, along with the 2024 Consolidated Financial Statements, information on its capital adequacy, its exposure to risks, and the general characteristics of the systems it has put in place to identify, measure and manage these risks. The document is published on the website www.bancaifis.it in the Investor Relations section and remains valid at the date of approval of this Consolidated Half-Year Financial Report at 30 June 2025.

With reference to the above and pursuant to Circular No. 285 of 17 December 2013 as amended - Supervisory Provisions for banks - the Banca Ifis Group has set up an Internal Control System that aims to guarantee a reliable and sustainable generation of value in a context of sensible risk control and taking, so as to protect the Group's capital adequacy as well as its financial position and performance.

The Banca Ifis Group's Internal Control System consists of a series of rules, functions, structures, resources, processes, and procedures aimed at ensuring the following goals are achieved consistently with the principle of sound and prudent management:

- executing business strategies and policies;
- containing risk within the limits set out in the Group's Risk Appetite Framework ("RAF");
- safeguarding the value of assets and protecting the Bank from losses;
- maintaining effective and efficient business processes;
- ensuring the reliability and security of corporate information and IT procedures;
- preventing the risk that the Group might become involved, including involuntarily, in unlawful activities (and specifically those associated with money laundering, usury, and terrorist financing);
- ensuring operations comply with the law and supervisory regulations as well as internal policies, rules and procedures.

Audits involve all personnel to varying degrees and constitute an integral part of day-to-day operations. They can be classified according to the relevant organisational structures. Some types of audits are highlighted below:

- line audits aim to ensure operations are carried out correctly. These audits are carried out by the operational structures themselves, incorporated in procedures, or performed as part of back office operations. The operational structures are primarily responsible for the risk management process: as part of their day-to-day operations, they shall identify, measure or assess, monitor, mitigate, and report the risks arising from ordinary operations in accordance with the risk management process; they shall comply with the operational limits assigned to them in accordance with the risk objectives and the procedures that form part of the risk management process;

- risk and compliance controls ("second line of defence") are intended to ensure the risk management process is correctly implemented in accordance with the operational limits assigned to the various functions, and that business operations comply with regulations - including corporate governance rules;
- internal auditing ("third line of defence") is aimed at identifying breaches of procedures and regulations as well as regularly assessing the comprehensiveness, adequacy, functionality (in terms of both efficiency and effectiveness), and reliability of the internal control and IT systems on a regular basis based on the nature and extent of the risks.

The role of the different players involved in the Internal Control System (the Board of Directors, the Control and Risks Committee, the Director in charge of the Internal Control and Risk Management System, the Supervisory Body pursuant to Italian Legislative Decree No. 231/2001, Internal Audit function, Risk Management function, Compliance function, Anti-Money Laundering function) in addition to the Manager charged with preparing the Company's financial reports according to the connotation of banking reality with listed shares, are described in detail in the "Report on corporate governance and shareholding structure" prepared in accordance with the third paragraph of Article 123 bis of Italian Legislative Decree No. 58 of 24 February 1998 ("TUF"), as amended, the latest edition of which was approved by the Banca Ifis Board of Directors on 6 March 2025, jointly with the 2024 consolidated financial statements, and published on the website www.bancaifis.it in the "Corporate Governance" section.

Risk culture

The Parent company facilitates the development and dissemination at all levels of an integrated risk culture in relation to the various types of risk and extended to the entire Group. Specifically, working together with the different corporate functions and the Human Resources function, it has developed and implemented training programmes to raise awareness about risk prevention and management responsibilities among employees.

In this context, the Parent company's control functions (Risk Management, Compliance and Anti-Money Laundering) are active parties in the training processes as far as they are concerned. A culture of widespread responsibility is promoted, with capillary staff training, aimed both at acquiring knowledge of the risk management framework (approaches, methodologies, operational applications, rules and limits, controls), and at internalising the Group's value profiles (code of ethics, behaviour, rules of conduct and relations).

This Part of the Notes to the financial statements provides information on the following risk profiles, the relevant management and hedging policies implemented by the Group, and trading in derivative financial instruments:

- credit risk;
- market risks:
 - interest rate risk;
 - price risk;
 - currency risk,
- liquidity risk;
- operational risks.

Management of risks linked to climate change

Climate change-related risks are among the thematic areas of particular relevance indicated by ESMA in its public statement of 24 October 2024 entitled "European common enforcement priorities for 2024 corporate reporting".

In this regard, over the years, the Banca Ifis Group has activated processes and defined specific responsibilities to identify and manage the main risks relating to climate change and other ESG topics.

With specific reference to climate and environmental risks, the Bank of Italy's analysis of expectations on climate and environmental risks and, subsequently, the Guidelines on the Management of Environmental, Social and Governance Risks (ESG risks) published by the European Banking Authority (EBA) gave rise to the launch of a

structured programme with the aim of integrating environmental factors into corporate strategies, governance and control systems, the risk management framework and disclosure. A further strategic objective is to incorporate the relevant risks into the company's main valuation processes.

The multi-year plan to align with supervisory expectations on climate-related and environmental risks, put into place by Banca Ifis and delivered to the Bank of Italy at the beginning of 2023, is divided into project streams involving several areas.

The activities already carried out by Banca Ifis include a materiality assessment used to identify climate risk factors and the causal mechanisms whereby these factors are transferred to traditional risks (transmission channels).

With regard to risk factors, physical risks and transition risks are recognised. In particular, with regard to physical risks, chronic or acute adverse weather events were analysed, and among these, those relevant to the context in which Banca Ifis operates were identified. These effects were analysed on the basis of various elements such as, for example, the georeferencing of the portfolio, the company's operations and, more generally, the main assets considered important for business continuity. With regard to transition risks, the identified drivers are grouped into three categories: technological innovation, changing regulation and consumer preferences.

The table below describes the main categories and respective risk drivers associated with physical and transitional climate risks and their time frame.

Risk type	Risk drivers		Time frame
Transition risks	Regulatory	Global policy (e.g. Paris Agreement) can limit activities and segments with a high level of emissions and environmental risk. As an example, the regulation on Energy Performance Certificates may impact the value of portfolio properties	Medium-term
	Technological	The transition to low-impact technologies requires a higher cost for companies to retrofit plants and production facilities, potentially impacting the business model and the ability to generate revenues and profits	Medium-term
	Market	A shift in consumer preferences towards more climate-friendly consumption potentially impacts all mayor sectors associated with high energy consumption and/or high levels of pollution	Medium-term
Physical risks	Acute	Heat waves, fires, floods, droughts, landslides, earthquakes	Short-term
	Chronic	Extreme temperatures, soil erosion, water stress, sea level rise	Medium-term/Long-term

The findings of the materiality assessment exercise indicate an overall moderate exposure to climate and environmental risks.

In line with the Bank of Italy's expectations on climate and environmental risks (i.e. Expectation VI), in 2025, the Parent company Banca Ifis updated the Climate Stress test analyses, which were attached to the ICAAP Report. The study of the effects of climate and environmental risks on credit risk was conducted by analysing the possible impact of severe climate change on the Income Statement through the deterioration of credit quality and risk parameters.

A short-term climate scenario was chosen, published by the UNEP Finance Initiative in July 2024, which combines the effects of both transition risks and physical risks.

With regard to transition risks, the macroeconomic shocks of the "Stringent carbon price" scenario, which anticipates all effects of the Delayed Transition scenario of the Network for Greening the Financial System (NGFS) from 2031 to 2023, were considered. The carbon price is expected to increase between 57 US Dollars and 368 US Dollars per tonne of CO₂ by 2027, gradually over five years depending on the country. Advanced economies are

expected to reach a more ambitious average price of around 325 dollars per tonne of CO₂ in 2027, while other regions are expected to keep prices below 231 dollars. The basic assumption is that rising carbon prices underpin coordinated global policies aimed at mitigating climate change.

With regard to physical risks, the macroeconomic shocks of the "Chronic impacts" scenario, which models the extreme chronic risks, such as high temperatures, sea-level rise and changes in precipitation of the NGFS scenarios, were considered. These risks are expected to gradually increase in importance over time, having a severe impact on the GDP within 20-30 years. However, in this scenario, these chronic risks have been brought forward to the present.

Unlike the 30-year long-term scenarios, the short-term climate scenario considered does not fully reflect the benefits of the transition and the related economic recovery. In terms of severity, it is, albeit slightly, less negative than a typical EU-wide stress test scenario. Compared to the baseline, Italy's economic growth is projected to decrease by around 5,5% at a cumulative 2-year level (compared to a reduction of 7,4% in the adverse scenario of the EU-Wide stress test 2025).

Compared to more recent climate scenarios, such as the short-term scenarios published by the NGFS on 7 May 2025, the scenario considered for the Climate Stress exercise is more severe, e.g. in terms of real GDP growth.

To align the scenario with current economic conditions, the macroeconomic projections were defined by applying the Climate scenario shocks to the latest baseline projections. This approach ensures consistency and comparability of results with the latest scenarios.

The projections of the main macroeconomic variables of the considered climate scenario are presented below.

FINANCIAL INDICATORS FINANCIAL YEAR END (%)	Climate scenario		
	2024	2025	2026
Italian real GDP growth y/y	(2,0)%	(2,2)%	(2,5)%
Italian unemployment	6,4%	6,3%	6,2%
Euribor 3M	2,2%	2,0%	2,4%
10-year BTP yield	4,7%	5,0%	5,3%
Italian inflation	2,5%	2,6%	3,1%

The application of the climate scenario used for the climate stress test exercise on Banca Ifis's risk parameters (PD and LGD) highlighted a marginal impact on the ECL of the performing portfolio.

The other risks (market risk, liquidity risk and operational risk) are also discussed in more detail in the Sustainability Statement included in the 2024 Consolidated financial statements (see 1.1 ESRS 2 - General Information, section 1.1.4 Managing Impacts, Risks and Opportunities: Double materiality analysis, DP 20), the analyses conducted by the Group led to the identification of moderate impacts for operational risks, while market risk and liquidity risk were considered as non-material.

Risks of accounting consolidation

Quantitative information

The gross exposures reported in the following tables account for the positive impact of the breakdown of the difference between the fair value as measured in the business combination and the carrying amount of the receivables recognised by the subsidiaries over time.

Credit quality

Distribution of financial assets by portfolio and credit quality (carrying amounts)

Portfolio/Quality	Bad loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	1.219.694	493.518	52.760	240.703	9.415.698	11.422.373
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	799.549	799.549
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	924	-	-	50.999	51.923
5. Financial assets under disposal	2.761	1.916	-	-	-	4.677
Total 30.06.2025	1.222.455	496.358	52.760	240.703	10.266.246	12.278.522
Total 31.12.2024	1.219.018	440.816	60.931	207.602	10.200.599	12.128.966

Excluded from this table are on-demand receivables from banks (which are classified under the item "Cash and cash equivalents", in accordance with Bank of Italy instructions), equity securities and UCITS units.

Distribution of financial assets by portfolio and credit quality (gross and net amounts)

Portfolio/Quality	Non-performing			Performing			Total (net exposure)
	Gross exposure	Overall impairment losses/reversals	Net exposure	Gross exposure	Overall impairment losses/reversals	Net exposure	
1. Financial assets measured at amortised cost	1.974.572	(208.600)	1.765.972	9.724.379	(67.978)	9.656.401	11.422.373
2. Financial assets measured at fair value through other comprehensive income	-	-	-	800.528	(979)	799.549	799.549
3. Financial assets designated at fair value	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	924	-	924	X	X	50.999	51.923
5. Financial assets under disposal	23.389	(18.712)	4.677	-	-	-	4.677
Total 30.06.2025	1.998.885	(227.312)	1.771.573	10.524.907	(68.957)	10.506.949	12.278.522
Total 31.12.2024	1.928.714	(207.949)	1.720.765	10.413.041	(73.895)	10.408.201	12.128.966

Excluded from this table are on-demand receivables from banks (which are classified under the item "Cash and cash equivalents", in accordance with Bank of Italy instructions), equity securities and UCITS units.

Disclosure on structured entities (other than securitisation vehicles)

There were no unconsolidated structured companies at 30 June 2025 other than the securitisation company falling within the Banca Ifis Group's scope.

Risks of prudential consolidation

Credit risk

General aspects

In accordance with the guidelines approved by the Parent company's Governing Body and the changes in the supervisory regulatory framework, the Group seeks to strengthen its competitive position in the market offered to small and medium enterprises (SMEs). The aim is to increase its market share in the following segments: trade receivables, including for entities with specialist needs such as pharmacies, leasing, tax receivables, and distressed loans, providing high-quality and highly customisable financial services while keeping credit risk under control and profitability in line with the level of quality offered. A complementary reference market for the Banking Group's lending activities is also the Private segment, with a product offer mainly oriented towards operating leases, salary-backed loans or operations related to the pharmaceutical sector, carried out by the subsidiary Banca Credifarma, a banking operator specialising in granting advances, medium/long-term loans and financial services to pharmacies.

As at the date of this document, the banking Group's business activities are conducted in the following areas:

- the factoring business is characterised by the direct assumption of risks related to granting advances and loans, as well as guarantees, if any, on trade receivables of mainly SMEs. As part of its operations, the factoring area purchases receivables due from public health service and local authorities outright;
- Corporate Lending and Structured Finance operations, which focus on offering medium and long-term financing and secured and unsecured products to support companies operating in Italy in their organic or inorganic growth through extraordinary operations to reposition or expand their business, establish alliances or pursue integrations, promote restructuring processes, or introduce new investors and partners into the company. The clients of this segment are usually corporations;
- investments in non-financial companies and in units of intermediaries;
- medium/long-term loans to SMEs operating in the main production sectors, covered by the public guarantee, conceived by the Ministry of Economic Development (MED) of the Central Guarantee Fund;
- the leasing business targets mainly small economic operators as well as SMEs. In general, finance leases help independent contractors and businesses finance company cars and commercial vehicles as well as facilitate equipment investments for businesses and resellers. Meanwhile, long-term leases mainly focus on equipment finance - specifically on office and IT products and, to a lesser extent, industrial and healthcare equipment;
- the acquisition of non-performing loans (Npls) by the subsidiary Ifis Npl S.p.A., mainly from retail customers;
- servicing (master and special services), management of Npl portfolios with collection both judicial and non-judicial, consultancy in due diligence activities and authorised investors in Npl transactions, managed by the subsidiary Ifis Npl Servicing;
- the granting of loans to retail customers, including through the definition and refinancing of transferred non-performing loans, to be settled through salary- or pension-backed loan schemes, managed by the subsidiary Cap.Ital.Fin.;
- short- and medium-term lending to pharmacies by the subsidiary Banca Credifarma, including through the disposal of receivables due from Italy's National Health Service as well as public- and private-sector healthcare providers;
- management of the proprietary portfolio, carried out mainly via financial investments in bonds, mostly government bonds, and listed equities;

- securitisation activities, which are aimed at segment operators, in particular originators and investors, by offering finance through investments in asset-backed securities (ABS) and other exposures to securitisation schemes, and by taking on the roles of arranger and sponsor in the context of such transactions with a view to cross-selling. Investments are mainly concentrated in senior and mezzanine tranches with underlying performing assets and with a favourable trade-off in terms of expected profitability compared to risk weighting.

Given the particular business of the Group's companies, credit risk is the most important element to consider as far as the general risks assumed by the Group are concerned. Maintaining an effective credit risk management is a strategic objective for the Banca Ifis Group, pursued by adopting integrated tools and processes that ensure proper credit risk management at all stages (appraisal, lending, monitoring and management, and interventions on troubled loans).

Credit risk management policies

As part of its lending operations, the Banca Ifis Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may cause an unforeseen change in the relevant credit exposure, requiring to write off all or part of the receivables. This risk is always inherent in conventional lending operations, regardless of the form of financing.

The main causes of default are the failure of the borrower's autonomous capacity to service and repay the debt (due to lack of liquidity, insolvency, etc.), as well as the occurrence of circumstances affecting the borrower's economic/financial condition, such as "country risk".

With regard to impaired purchased receivables (POCI), an additional risk to which the Group is exposed is the risk of inadequate collection, i.e., losses incurred due to the failure to collect receivables from defaulting counterparties.

Organisational aspects

The principles and guidelines that the Banca Ifis Group follows with regard to the granting of credit are expressed in the "Group Credit Policy" applied and disseminated, to the extent of their competence, to all the organisational units of the Bank and Group companies involved in the processes of taking out and managing credit.

Inside, we find:

- the roles and responsibilities of the corporate bodies and organisational structures involved in the loan process;
- the definition of the credit strategies and rules with reference to segments of customers, counterparties and types of comparable transactions, the limits of reliance assigned to non-banking counterparties, the limits to exposure assigned to the various types of economic businesses, the identification of the Most Significant Transactions (MSTs) for the preventive verification that they are indeed consistent with the risk limits and objectives defined in the Group Risk Appetite Framework (RAF), the limits to the risk assigned to transactions with related parties and/or company representatives, pursuant to Art. 136 of the Consolidated Law on Banking. The monitoring, review and update of the credit rules and strategies involve:
 - the Parent company's Large Risks Underwriting organisational unit, in coordinating the process of formulating proposed reviews and updates to the credit policies to be submitted for the approval of the Parent company's Board of Directors;
 - the Parent company's Risk Management function in monitoring the results achieved by the Group in terms of volumes and overall effective positioning on the credit market in line with the defined credit strategies;
- the most qualifying elements in the credit process, with specific reference:

- to the definition of risk categories to be assigned to customers, according to the different risk profile that can be attributed to the technical loan forms involved, closely linked to the operative processes connected with the "Group System of delegated powers" on the assumption of the credit risk;
- to the examination of all useful information, both internal and external, functional to the determination of the customer's credit rating and future solvency of the debtor, measuring the credit risk firstly using normal sources for the repayment of exposure and, thereafter, considering the use of the accessory guarantees connected with the credit intervention;
- the monitoring and review of the model used to define credit faculties or the matrix of faculties for granting credit and the related limits;
- the structuring of the credit process, in its comprehensive cycle, into two macro processes of "investigation and disbursement of credit" and "monitoring and collection of debt".

On an operative level, the various Group companies structure the specific operating procedures for the application of credit rules into Organised Procedures or Operative Notes.

Within the Banca Ifis Group, the corporate bodies of Banca Ifis and the banks and other financial subsidiaries play a key role in managing and controlling credit risk, ensuring an appropriate supervision of credit risk within the scope of their responsibilities by identifying strategic guidelines as well as risk management and control policies, assessing their efficiency and effectiveness over time, and defining the duties and responsibilities of the corporate functions involved in the relevant processes.

Under the current organisational structure, specific central areas are involved in credit risk management and governance, ensuring, with the appropriate level of segregation, the performance of management operations as well as first and second line of defence controls by adopting adequate processes and IT applications.

Overall, despite some differences deriving from the various products/portfolios, the lending process follows a shared organisational approach with various operational stages and roles, responsibilities, and controls at different levels.

Specifically, Banca Ifis's organisational structure consists of the following Business Units, dedicated to different activities, centralised in the Co-General Manager Chief Commercial Officer (CCO):

- Commercial & Corporate Banking Underwriting dedicated, both with reference to the initial granting of credit and renewal and review activities, to assessing the creditworthiness of the counterparties as well as the risk inherent in the transactions and approving credit facilities in compliance with the powers assigned to it by the Board of Directors and formalised in the Group's System of Delegated Authorities for the assumption of credit risk;
- Commercial Banking, dedicated to the promotion of financing services to domestic and foreign companies and to the care of the correct relationship with the counterparties developed directly or indirectly, as well as the debtors (domestic or foreign) acquired as part of the operations carried out;
- Corporate & Investment Banking, dedicated to Structured Finance transactions or investments in performing non-financial companies and intermediaries;
- Pharmacies, directly manages existing portfolio relationships with domestic pharmacy counterparties in close cooperation with the organisational units of the subsidiary Banca Credifarma;
- Insurance, dedicated to the insurance products offered to its customers;
- Leasing and Rental, dedicated to offering and managing leasing and renting products;
- Marketing & Business Strategy, supporting the business units reporting to the Co-General Manager Chief Commercial Officer;
- Tax Credit & Distressed Financing, dedicated to the following activities:
 - the purchase of tax credits from companies in insolvency proceedings, in voluntary liquidation and from performing companies;

- affording financial support to companies, not already customers of the Banca Ifis Group, that are in a state of temporary financial strain but with prospects of continuity;
- Individuals, dedicated to the development of products, services and business opportunities related to transactional and funding banking services in relation to the Private customer segment;
- Anti-Fraud, dedicated to overseeing the transversal coordination of the Group structures that manage the offer of products to customers with respect to the execution of controls on the prevention and assessment of fraud attempts and the implementation of response actions.

Finally, at the reporting date the lending process include the operations of the following subsidiaries:

- Ifis Npl Investing S.p.A., company dedicated to the acquisition and transfer of non-performing loans (Npls), mainly originated by financial institutions and banks;
- Ifis Npl Servicing S.p.A., company specialising in the management of Npls and servicing and recovery activities on behalf of third parties;
- Cap.Ital.Fin. S.p.A., which provides salary- or pension-backed loans, payment delegation as well as salary or pension deductions and distributes financial products such as mortgages and personal loans;
- Banca Credifarma S.p.A., a banking operator mainly targeting the pharmacy and healthcare sectors and operating in the business of granting advances, medium- and long-term loans and financial services to pharmacies;
- Ifis Finance Sp. z o.o. and Ifis Finance I.F.N. S.A., factoring companies operating in Poland and Romania respectively;
- Ifis Rental Services S.r.l., an unregulated entity specialising in operating leases.

Ordinary credit organisational aspects

Each organisational unit develops and manages business relationships and opportunities in its respective segment by working together with the branches located throughout Italy, in accordance with the strategic guidelines and objectives set by the Board of Directors.

As for the lending process, each business unit identifies the opportunities for new transactions in accordance with the lending policies in force and the defined risk appetite; in this context, it examines loan applications and formalises a proposal to be submitted to the competent decision-making bodies, ensuring lending policies and controls are implemented correctly and analysing the applicant's creditworthiness in accordance with existing internal regulations.

The proposals to grant lines of credit and/or purchase receivables are submitted to the competent decision-making bodies, which, based on the powers delegated to them, express their decision - which always refers to the overall exposure towards the counterparty (or any related groups).

Banca Ifis's branches have no independent decision-making power for the purposes of assuming credit risk; branches manage ordinary operations with customers under the constant monitoring of the central structures in accordance with the limits and procedures established by the Head Office's competent bodies.

In carrying out their operations, the subsidiaries can independently take certain decisions within the operational and organisational limits defined by the Parent company Banca Ifis.

The line of credit is then finalised: the Bank finalises the agreement, obtains guarantees, if any, and grants the credit line. Throughout these stages, the business units are aided by specific supporting units responsible for preparing the agreement in accordance with the terms of the approval as well ensuring all activities leading to the granting of the credit facility are properly carried out.

The operational management of receivables, carried out for performing customers, mainly consists in the ordinary management and monitoring conducted by dedicated structures at each of the Group's companies with the aim of constantly and pro-actively reviewing borrowers. In addition, a specific organisational unit within the Parent

company performs monitoring activities at the Group level to identify counterparties with performance issues, so as to anticipate problems and provide adequate reporting to the competent corporate functions.

If the credit position is in an objective situation of distress, it is transferred to specific functions specialised in managing and recovering non-performing exposures.

Purchased impaired credit (POCI) organisational aspects

"Purchased or Originated Credit Impaired (POCI) Financial Assets" means the exposures that were non-performing at the date they were acquired or originated.

POCI financial assets include also the exposures acquired as part of sales (of either individual assets or portfolios) and business combinations.

Interest is accounted for by applying a credit-adjusted effective interest rate, i.e. the rate that, upon initial recognition, discounts all the asset's estimated future cash collections considering also lifetime expected credit losses ("ECL lifetime").

The Bank regularly reviews said expected credit losses, recognising impairment losses or gains through profit or loss. Favourable changes in lifetime ECLs are recognised as an impairment gain, even if said lifetime ECLs are lower than those incorporated into cash flow estimates at initial recognition.

POCIs are conventionally presented at initial registration in Stage 3.

If, as a result of an improvement in the counterparty's credit standing, the POCI assets become "performing", they are allocated to Stage 2.

Such assets are never classified in Stage 1 because the expected credit loss must always be calculated considering a time horizon equal to the residual maturity (in other words, a "lifetime" horizon must always be maintained and not a 12-month horizon, as is the case for Stage 1 positions).

"Acquired impaired assets" include loans acquired by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing at values significantly lower than their nominal amount, as well as non-performing assets resulting from the various IFRS 3 business combinations carried out by the Banca Ifis Group (such as those relating to the former GE Capital Interbanca Group, the former Fbs Group, the companies Credifarma S.p.A., Cap.Ital.Fin. S.p.A., Farbanca S.p.A. and Revalea S.p.A. as well as the former Aigis Banca business). These non-performing assets are included within the POCI perimeter on the basis of the existence, for each individual relationship, of impaired credit quality at the time of the relative acquisition, as required by IFRS 9.

With reference to the process for the acquisition of non-performing loan portfolios (POCI) adopted by the structures of the Npl Segment, similar organisational stages are envisaged as for ordinary credit, which can be summarised as follows:

- origination: the Bank identifies the counterparties from which it plans to purchase the portfolios and assesses the economic expediency of said transactions;
- due diligence, as part of which highly-skilled analysts assess the quality of the portfolio being transferred and the relevant organisational impact. Once the due diligence is completed, the Group sets the terms and conditions for offering/acquiring the receivables portfolio and how to manage it (individual or collective method), assessing the relevant impact on operating structures;
- Approval: this stage includes the preparation of the file, the decision-making process, and the implementation of the approval by the competent decision-making body;
- finalisation: the parties prepare and finalise the purchase agreement, and the relevant consideration is paid.

Purchases are made directly by originators and/or SPVs (primary market) or, in some circumstances, by operators who have purchased on the primary market and who intend to dispose of their investment for various reasons

(secondary market). Receivables - deriving from traditional consumer credit operations, credit cards and special purpose loans - are mainly unsecured; there are also current account balances in the event of transfers by banks.

Right after the acquisition, pending the completion of information retrieval operations to help decide the most appropriate debt recovery method, the receivable is classified in a so-called "staging" area and measured at cost with no contribution to profit or loss.

After this phase, which normally lasts 6-12 months, the positions are directed towards the form of management most appropriate to their characteristics (non-judicial and judicial operations), which carries out an activity closely related to the transformation into paying positions and the collection of receivables.

Collection operations for receivables deriving from purchases of distressed retail loans are the responsibility of resources within the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, as well as of a broad and proven network of debt collection companies and financial agents operating across Italy.

The non-judicial operations consist mainly in the activation of the credit through the debtor's subscription of bills of exchange or voluntary settlement plans; the judicial operations consist, instead, in the transformation through legal action aimed at obtaining from the court the garnishment order of one-fifth of the pension or salary (the existence of which is the necessary prerequisite for the start of this form of transformation) or the sale on the market of the asset to guarantee the credit (secured management). Specific information regarding these operations is provided below.

Finally, there is also an assessment of the expediency of selling non-performing loan (Npl) portfolios, mainly represented by processing codes, statute-barred loans or loans owned by deceased debtors, to be submitted for approval to the competent decision-making bodies, consistently with the established profitability targets and after analysing the relevant accounting, reporting, legal, and operational impacts. To do so, it relies on the in-depth inquiries conducted by the Parent company's competent business functions within their area of expertise.

Non-judicial operations

As for the positions not eligible for judicial operations, after completing the groundwork for processing them, they are classified in a "collective" portfolio pending that the recovery process through call centres or recovery networks can culminate with a collection of settlement plans referred to above (in the form of a proposal/acceptance from customer to bank). At this stage, the positions are measured at amortised cost, calculated as the present value of expected cash flows determined on the basis of a proprietary statistical model developed by the Risk Management function on the basis of historical internal data, referred to as "curve model"; this model projects collection expectations onto clusters of homogeneous receivables based on the recovery profile historically observed (macro region, amount of credit, seniority of the file with respect to the DBT date, transferor), in addition to prudential adjustments, such as, by way of example, the cap of simulated cash flows for debtors who are older than the life expectancy present in the mortality tables provided by Istat. This method of valuing debt collection flows means that the expected collection profile is decreasing as time passes with respect to the date of purchase of the credit, until the asset value of the credit is reduced to zero when it reaches the tenth year from the date of purchase.

Expectations of collection also take into account the probability of obtaining a settlement plan net of the relative probability of default.

There are two types of settlement (collection) plans that can be entered into:

- **bills of exchange:** the set of credit positions for which the debtor has signed a settlement plan supported by the issue of bills of exchange. It should be noted that the volume of bills of exchange (internal collection) in the portfolio has been steadily decreasing, since, as a strategic choice, amicable plans with this payment method are no longer collected. Any new collection is therefore exclusively the result of purchased paying practices;

- Demonstrations of Will: the practices for which the recovery process has led to the collection of a voluntary formalised settlement plan by the debtor.

The moment the position obtains a paying settlement plan ("active plans"), i.e. after having observed the payment of at least three times the value of the average instalment of the plan, the cash flows of the "curve model" are replaced by the cash flows of the "deterministic model", which projects the future instalments of the settlement plan agreed with the debtor net of the historically observed default rate and taking into account also in this case a cap to the simulated cash flows if the age of the debtor exceeds what is indicated in the mortality tables of Istat in relation to life expectancy.

Positions that do not obtain a paying settlement plan remain valued by means of the "curve model"; this means that as time passes, the probability of collection is reduced also by means of the plan and consequently the expected cash flows are reduced down until zeroing.

As already started in 2021, again in 2022, 2023 and 2024 and the first half of 2025, management took part in a new closure method, known as "balance and write-off of positions", in order to anticipate recovery while granting a reduction in the amount due (write-off) to the debtor. This method of collection does not replace the methods described above, but involves certain campaigns on specific positions identified by management.

Judicial operations

Positions that meet the requirements (presence of a job or a pension) for judicial processing are initiated in the relevant operations. This also includes (minority) practices that are processed in a logic of real estate attachment of property.

Judicial processing, understood as real estate enforcement action against third parties, is characterised by several legal steps aimed at obtaining an enforcement title, which as a whole usually last 18-24 months (the durations and the relative volatility depend on the court in which the case is handled) and are thus as follows:

- obtaining a court order,
- writ,
- attachment of property and
- garnishment order.

These positions are measured at amortised cost, calculated as the present value of expected cash flows determined on the basis of two proprietary models developed by the Risk Management function on the basis of historical internal data, referred to as "pre-garnishment order Legal Factory model" and "garnishment model".

As regards the pre-garnishment order model, the first half of 2025 saw the continuation of re-estimation activities aimed at updating the time series, assessing relevant changes in processes to be taken into account in the definition of the scope, quantifying target variables (e.g. modules duration, migration probability, instalment, expenses, rate of potential aggravation) as well as fine-tuning the methodological framework (e.g. revision of the long list of each module, clustering techniques and quantification of estimates). Please note that this model is subject to validation by the function in charge of validating internal models.

In addition to the above, judicial operations involve also collection efforts, i.e. foreclosure proceedings, which consist of several stages and apply to portfolios originated in corporate, banking, or real estate segments.

Lastly, it should be noted that, in conjunction with the merger of Revalea S.p.A. into Ifis Npl Investing S.p.A. in 2024, already in the Consolidated financial statements at 31 December 2024, the models applied by the Group were also extended to the portfolio of the merged company.

Management, measurement and control systems

Credit risk is constantly monitored by means of procedures and instruments that can rapidly identify particular anomalies.

Over time, the Banca Ifis Group has implemented instruments and procedures allowing to specifically evaluate and monitor risks for each type of customer and product.

If the applicant passes the evaluation process and is granted a credit facility, the Group starts monitoring the credit risk on an ongoing basis, ensuring repayments are made on time and the relationship remains regular, reviewing the information that the Italian banking system reports to the Central Credit Register or select databases as well as the reputational profile, and examining the underlying causes for each one of these aspects.

Concerning portfolio monitoring operations, as previously mentioned, receivables due from customers are monitored by specific units within the mentioned business units that are responsible for constantly and proactively reviewing borrowers (first line of defence); a specific organisational unit conducts additional monitoring at a centralised level, using mainly performance analysis models - including models developed by the Parent's Risk Management function - to identify any potential issues through specific early warning indicators.

Credit risk exposures to companies are assigned a rating based on models developed in-house. These models are differentiated by segment to ensure that appropriate models are applied on homogeneous population from the point of view of characteristics and risk level. There are therefore models for corporations, differentiated by two size clusters, and a model for partnerships and sole proprietorships. The rating models are composed of different modules that investigate different areas of information depending on the type of counterparty and are integrated with qualitative information of different nature.

The rating class represents a fundamental driver for the calculation of write-downs on performing loans; in addition to directly linking the expected loss to the specific risk level of the individual counterparty, rating models enable the activation of the quantitative stage allocation criterion, which, by comparing the riskiness at the time of granting and the current riskiness, makes it possible to assess the significant increase in risk and thus the Stage 2 allocation of the position. The framework for determining expected loss also includes satellite models functional to the introduction of forward-looking elements into the estimates of risk parameters in full compliance with the requirements of IFRS 9.

Risk Management plays a crucial role as part of the second line of defence in measuring and monitoring operations.

Concerning credit risks, the Risk Management function:

- oversees, monitors and assesses credit risks, carrying out audits and analysis in accordance with the relevant guidelines. In particular:
 - assesses credit quality, ensuring compliance with credit guidelines and strategies by continuously monitoring credit risk indicators;
 - constantly monitors exposure to credit risk and compliance with the operating limits assigned to the operating structures in relation to the assumption of credit risk;
 - verifies, by means of second-level controls, the correct implementation of performance monitoring on individual exposures, in particular on non-performing exposures, and assesses the consistency of classifications and the adequacy of provisions;
 - monitors exposure to concentration risk and the performance of exposures classified as "Large Exposures";
- performs quantitative analyses to support the business units in using risk measures;
- oversees the supervision of the value of collateral as well as personal and financial guarantees;
- analyses consistency with the Group's RAF in the areas of asset quality and credit cost.

The Banca Ifis Group pays particular attention to the concentration of credit risk with reference to all the Group's companies, both at an individual and consolidated level. Banca Ifis's Board of Directors has mandated the Top Management to take action to contain major risks. In line with the directives of the Board, those positions that are at risk and engage the Group to a considerable extent are subject to systematic monitoring.

Concerning the credit risk associated with investments in securities and equity, the Group constantly monitors their credit quality, and Parent company Banca Ifis's Board of Directors and Top Management receive regular reports on this matter.

In the context of Basel 3 principles for calculating capital requirements against first-pillar credit risks, Banca Ifis chose to adopt the Standardised Approach. To calculate capital requirements for single-name concentration risk, which falls under second-pillar risks, the Group adopts the Granularity Adjustment method as per Annex B, Title III of Circular No. 285 of 17 December 2013, with a capital add-on calculated using the ABI method to measure geo-segmental concentration risk.

In order to assess its vulnerabilities in terms of capital and liquidity management, the Parent company Banca Ifis has developed quantitative and qualitative techniques with which it assesses its exposure to exceptional but plausible events. These analyses, known as stress tests, measure the impact in terms of risk deriving from a combination of changes in economic-financial variables under adverse scenarios on the Bank and its subsidiaries. These analyses significantly concern credit risk.

The stress tests allow to assess the Group's resiliency by simulating and estimating the impact of adverse circumstances, providing crucial insights into its exposure to risks, the adequacy of the relevant mitigation and control systems, and its ability to deal with unexpected losses – including in a forward-looking manner and in terms of planning. In order to perform stress tests, the Group has internally developed methodologies that allow, also by exploiting synergies with satellite models used under IFRS 9, to project asset quality in line with adverse macroeconomic scenarios and assess the impact in terms of various credit quality indicators, such as the incidence of impaired credit or the increase in loan adjustments.

For regulatory purposes, the Parent company Banca Ifis conducts stress tests when defining the Risk Appetite Framework (RAF) and preparing the Recovery Plan as well as the ICAAP and ILAAP report at least on an annual basis, as required by applicable prudential supervisory regulations. In this context, it assesses, among other things, the sustainability of lending strategies under adverse market conditions.

Measurement of expected credit losses

It should be noted preliminarily that, with reference to the measurement of expected losses, during the first half of 2025 the process of updating credit risk parameters continued with the aim of more accurately reflecting the expected losses of performing exposures, also in light of the persistent uncertainties of the current macroeconomic context.

In detail, the macroeconomic scenarios underlying the forward-looking conditioning have been updated, details of which are given later in this section, in order to allow the valuation of credits to be as compliant as possible with the accounting standard. The maintenance activities of the IFRS 9 impairment framework had no significant impact either in absolute terms or in terms of the level of portfolio coverage.

The expected loss defined on the basis of the model is supplemented with a series of managerial adjustments (so-called "post-model adjustments" or "overlays") in order to factor in certain valuation elements not adequately captured by the models in use.

Below is an explanation of the framework used by the Group to measure expected losses, including any changes made to the models and criteria applied for calculating expected losses as part of the ongoing model revision process are illustrated below, depending on the type of intervention (SICR valuation, estimation of forward-looking information, other model changes, and use of any management overlays).

According to IFRS 9, all financial assets not measured at fair value through profit or loss and other than the POCI, for which reference is made to the information given previously, represented by debt securities and loans, and off-balance sheet exposures (commitments and guarantees granted) must be subject to the impairment model based on expected losses (ECL - Expected Credit Losses).

The most significant aspects that characterise this approach, concern:

- the classification of loans into three different levels (or "Stages") to which different methods correspond for calculating the losses to be recorded; Stage 1 includes performing positions that have not undergone a significant increase in credit risk otherwise placed in Stage 2; Stage 3 includes all positions classified as non-performing, bad loans, unlikely-to-pay, non-performing past due in accordance with the criteria and rules specifically adopted by the Group;
- the calculation of the expected loss calculated at 12 months for Stage 1 or for the entire useful life of the credit (lifetime) for Stages 2 and 3;
- the requirement to use a Point-in-Time, rather than a Through-the-Cycle, approach for regulatory purposes;
- forecast information regarding the future dynamics of macroeconomic factors (forward looking) considered to have the potential to influence the debtor's situation.

In this context, the Group has adopted a method for determining the "significant" increase in credit risk with respect to the initial recognition date, which involves classifying the instruments in Stages 1 and 2, combining statistical (quantitative) and performance (qualitative) elements, as part of the estimate of impairment of performing loans. Please note that no probation period is applied for the exit of performing positions from Stage 2.

To identify the "significant" increase in credit risk, the Banca Ifis Group applies the following quantitative and qualitative transfer criteria to the loan portfolio according to the type of counterparty defined by segmenting receivables into portfolios:

- the only quantitative transfer criteria is what is termed "PD comparison" for which, in order to identify the "significant increase in credit risk" on exposures within rated portfolios, the Group used an approach backed by quantitative analyses, under which the exposure is allocated to Stage 2 if the change in the one-year PD between the origination and the measurement date exceeds a given threshold. The decision to use a 1-year PD comparison instead of a lifetime approach, also determined in consideration of the solution provided by the impairment engine's outsourcer, is supported by analyses that show a high correlation between the SICR metrics calculated from a lifetime perspective and those calculated from a 1-year perspective. This threshold is assigned on the basis of the origination rating (if available) and the type of product for each relationship and is represented by the change in PD by which the credit risk of the relationship is to be considered significantly increased. Therefore, if the change in PD between origination and the reference date exceeds the threshold associated with the ratio, that ratio is allocated to Stage 2. The identification of the thresholds derives from a statistical approach involving the analysis of the 1-year PD distributions on homogeneous risk clusters in order to optimise the allocation to Stage 2 of counterparties that might show signs of deterioration and the return to Stage 1 of counterparties with a real improvement in internal rating;
- qualitative transfer criteria:
 - "Rebuttable presumption – 30 days past due": IFRS 9 establishes that, regardless of how the entity assesses significant increases in credit risk, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The entity can rebut this presumption if it has reasonable and supportable information that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. However, the Ifis Group has not pursued this option;
 - Forbearance: according to this criterion, a financial instrument is allocated to Stage 2 when the Group classifies the exposure as forbore;
 - "Watchlist": the criterion envisages the transfer to Stage 2 of positions already under examination, as part of the process for defining especially risky positions during credit monitoring;
 - "EBA Backstop": the criterion transfers to Stage 2 positions with PDs at the "reporting date" that are 200% higher than ("threefold") at the "origination date" or with PDs at the "reporting date" that are 20% higher.

According to IFRS 9, an entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date, that is:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations;
- the lender expects, in the longer term, that adverse changes in economic and business conditions might reduce the ability of the borrower to fulfil its obligations.

The measurement of expected credit losses (ECLs) accounts for cash shortfalls, the probability of default (PD), and the time value of money. Specifically, the Group measures the loss allowance for the financial instrument as:

- expected losses within 12 months for positions that have not suffered a significant deterioration in creditworthiness (Stage 1); in other words, the Group estimates non-payments resulting from possible default events within the following 12 months, weighted by the probability that such events will occur;
- expected "Lifetime" losses for positions that have suffered a significant deterioration in creditworthiness (Stage 2); in this case, the Group estimates the cash shortfalls resulting from default events that are possible over the expected life of the financial instrument, weighted by the probability of that default occurring and discounted at the measurement date.

To ensure its collective impairment calculations are in the closest possible compliance with regulatory requirements, the Group has defined a specific methodological framework subject to backtesting at least annually as well as to validation by the function in charge of validating internal models. This involved developing quantitative methods and analyses based on proprietary datasets as well as qualitative methods and analyses to essentially model the following risk parameters and the methodological aspects relevant to the calculation of impairment under IFRS 9:

- estimation of the Probability of Default (PD), which expresses the probability of a default event occurring in the credit position over a given time frame. The estimation methodology involves using an appropriate estimator to calculate the Cumulative Default Rate (hereinafter also CDR), i.e. the historically observed probability of a default event occurring within a given time horizon. CDRs are then interpolated using an appropriate functional form;
- estimation of Loss Given Default (LGD), which expresses the estimated loss percentage in the event of default of the credit position. A "workout LGD" approach based on internal data was chosen; therefore, this parameter is defined on the basis of historical recovery evidence observed for each perimeter where possible;
- definition of Stage allocation transfer logic, which includes the recalibration of SICR thresholds;
- calculation of expected losses including point-in-time elements: the credit parameters are calibrated on a horizon that considers the entire economic cycle, therefore, in accordance with IFRS 9, a PIT (point-in-time) adjustment is necessary to reflect the current condition in the parameters;
- calculation of expected losses including forward-looking elements: the credit parameters are calibrated to a horizon that considers the entire economic cycle; therefore, in accordance with IFRS 9, it is necessary to include forward-looking elements to reflect expectations on the future development of the economic cycle.

In developing the above methods, the Group has considered multiple solutions, the current and prospective complexity of its portfolio, as well as how to maintain and update risk parameters.

The time series underlying the estimation of risk parameters are updated annually; calibrations involving the forward-looking scenarios are updated at least once every six months, or on the basis of changes in the environment. As far as EAD is concerned, there is no internal modelling, and the value of EAD is equal to the carrying amount adjusted by the application of the credit conversion factor or CCF (Credit Conversion Factor) applied for the entire duration of the exposure.

Concerning the PD of exposures to banks, central governments, and public-sector entities (low default portfolios), the Group used default rates associated with migration matrices based on public information provided by the ratings agency Moody's or external providers.

LGD is estimated on historical proprietary evidence with the exception of a few residual transactions (due to the lack of sufficient objective historical data given the recent business or given the particular type of counterparty - i.e. banks, central governments and territorial entities) for which an industry LGD was used. The cash flows used in estimating LGD are discounted at the Effective Interest Rate (EIR).

In order to determine the risk parameters adopting a forward looking approach, the Group has adopted econometric models (based on the stress test framework - "satellite" models), aimed at forecasting the evolution of the institute's risk factors (i.e. mainly PD and migrations between statuses for credit risk) on the basis of a joint forecast of the evolution of the economic and financial indicators (macroeconomic scenario). The satellite models used meet the need to identify the existence of a significant relationship between the general economic conditions (i.e. macroeconomic and financial variables) and a proxy variable of the risk factor (target variable) i.e. the credit rating of counterparties (which represents the respectively probability of default as a summary of the PD factor), which in its aggregate form at an institute level is represented by a careful calibration of the deterioration rates recorded by the Bank of Italy.

By exploiting the identified relationship between target variable and macroeconomic factors, it is therefore possible to obtain forecast values of deterioration rates by applying future projections of explanatory variables retrieved from external information providers, also used for institutional information purposes and by the Strategic Planning function under the scope of their activities. In compliance with IFRS 9, the Risk Management function employs macroeconomic scenarios describing two contexts characterised by increasing levels of forecast severity and criticality: a "baseline" scenario and an "adverse" scenario. These scenarios produce two different satellite model forecasts, making weighting necessary: for the current year, it was decided to balance the weights of the baseline and adverse scenarios in view of the uncertainty of the macroeconomic environment, which sees on the one hand, in the geopolitical context, one of the main factors of instability, and on the other, the possible onset of non-negligible risks connected with the evolution of the global economic activity.

The Risk Management function has therefore included the forecasts defined by its satellite models in the structures at the end of the PD lifetime, exploiting the Merton framework. Indeed, the migration matrices between credit states of each perimeter were defined and, through the application of the macroeconomic shifts output by the satellite models, the stressed projections of the matrices were obtained, allowing the derivation of scaling factors calculated on the stressed default rates to be applied to the PD curves as per the defined methodology.

The satellite models developed for PD were also applied in a mirror-image manner to the Danger Rate, i.e. the migration between credit states, used in LGD, which in its point-in-time & forward-looking configuration gives a multi-period structure to LGD.

As for the securities portfolio, considering the methodological complexity associated with developing a dedicated model, the Group decided to use the calculation of impairment under IFRS 9 that the outsourcer of the computer system provides at consortium level (i.e. estimating risk parameters, calculating the Stage allocation and ECLs). Specifically, the formula used to calculate the impairment of the tranches allocated to Stage 1 and Stage 2 is consistent with the approach to credit exposures. The stage allocation of performing debt securities requires using an external rating of the issue or, if this is not available, the issuer; in short, the securities are allocated to the different stages based on specific transfer criteria associated with this type of portfolio. In the area of securities, in contrast to the loan portfolio, the "low credit risk exemption" is applied only to the portion of securities in the portfolio belonging to the investment grade category. Exposures are allocated to Stage 3 if credit risk has deteriorated to the point that the security is considered impaired, i.e. classified as non-performing, including in the case of financial instruments in default.

Measurement of expected losses (ECL)

With reference to the inclusion of Forward Looking factors feeding into the IFRS 9 provisioning process, through the use of satellite models, the Risk Management function in the first half of 2025 updated the macroeconomic scenarios by procuring them from an external info provider and comparing them with official sources.

The current macroeconomic environment incorporates both cautious optimism about the continuation of economic growth, with signs of lower inflation and an expectation of the monetary policy easing, and the repercussions of the uncertain geopolitical environment, with possible repercussions on global trade and commodity and energy prices. The Group adopts two scenarios to reflect the uncertainty of the macroeconomic environment:

- **base case:** this is the main reference scenario that envisages a global environment characterised by a deceleration in economic growth, dictated by high geopolitical uncertainty. Italy experienced moderate GDP growth (0,6 % per year on average in 2025-2029), mainly supported by the German fiscal stimulus and the NRRP, despite the fragility of the European manufacturing sector and the effects of US tariffs. Italian inflation, after a minimum of 1% in 2024, stabilised at around 2% per year (in line with ECB targets), thanks to the control of core components and moderate wage dynamics. Public accounts show improvement (deficit down to 3,4 % of GDP in 2024), with the BTP-Bund spread contained. The main risks are related to the US-EU-China trade war (with duties affecting Italian exports) and geopolitical instability (conflicts in Ukraine and the Middle East, reduced US involvement in NATO). The European economy benefits from the German fiscal stimulus and the RearmEU plan, but risks being under pressure from international tensions;
- **adverse scenario:** this is the severe but plausible scenario according to which the global geopolitical situation is expected to worsen due to the escalation of conflicts and the reintroduction of US tariffs to the level of 2 April 2025 with equivalent countermeasures by the affected countries. The result would therefore be a new increase in uncertainty and a severe blow to trade, which would be significantly reduced compared to the period before the new tariff policies were introduced. The US, which has suffered the most, could enter recession in the second half of 2025. Price growth would remain limited, however, because the slowdown in economic activity would help to keep inflation, both Italian and European, still in line with the monetary policy target. In Italy, the already fragile growth outlined in the base case would be undermined by the increased uncertainty linked to the geopolitical environment. Public debt, in terms of GDP, would increase, also leading to a rise in the spread between Italian and German government bonds.

FINANCIAL INDICATORS FINANCIAL YEAR END (%)	Base case			Adverse scenario		
	2025	2026	2027	2025	2026	2027
Italian real GDP growth (decline) y/y	0,6%	0,7%	0,6%	(0,1)%	0,3%	0,3%
Italian unemployment	6,4%	6,3%	6,2%	6,6%	6,8%	7,0%
Euribor 3M	2,2%	2,0%	2,4%	2,0%	1,7%	2,1%
10-year BTP yield	3,9%	4,2%	4,4%	4,0%	4,4%	4,6%
Brent barrel oil price growth (reduction) y/y	(13,9)%	(0,8)%	11,9%	(12,7)%	0,6%	14,4%
Italian inflation	1,7%	1,8%	2,1%	2,0%	2,0%	2,3%

With reference to the probability of occurrence of the scenarios, in line with what was done for FY 2024 and with the continued significant uncertainty of the geopolitical and macroeconomic environment, the base case was assigned a 60% probability of occurrence, while the adverse scenario was assigned a 40% probability of occurrence. As a matter of prudence, no upside scenarios were considered.

In order to provide information that enables a clear understanding of the elements of judgement used by management and their impact, sensitivity analyses were carried out. The inclusion of forward-looking factors for the measurement of expected losses is, in fact, a particularly complex exercise, as it requires the formulation of macroeconomic forecasts, the selection of scenarios and their relative probabilities of occurrence, and the

definition of a model capable of expressing the relationship between the aforementioned macroeconomic factors and the default rates of the exposures under assessment.

For this reason, in order to be able to appreciate the impact on expected losses resulting from the selection of different macroeconomic scenarios, and in compliance with the recommendations formulated by ESMA, sensitivity analyses are provided below, in terms of ECL. These analyses were conducted by assigning a 100% weighting to each individual macroeconomic scenario ("base" and "adverse") with respect to the multi-scenario approach followed for the purpose of preparing this document.

The selection of a multi-factor sensitivity, obtained by varying several parameters simultaneously and implicit in the choice of considering alternative macroeconomic scenarios, is justified by the fact that there are innumerable interrelationships between the different macroeconomic factors such that a sensitivity analysis based on a single factor would be less representative (e.g. the change in GDP would be correlated with changes in many other macroeconomic variables).

The basis for sensitivity analyses is represented by expected losses (ECLs) on the Group's credit exposures to customers - cash loans and guarantees. In particular, this is the ECL determined on the basis of the models in use, and thus not including the post-model adjustments discussed below.

More specifically, the 100% "adverse" weighting would lead to an impact on the model ECL of approximately +0,4%, while the 100% "baseline" weighting would lead to an impact of approximately -0,3%.

The introduction of US duties represents a significant risk for European companies, including Italian ones, as products exported to the US risk becoming less competitive due to increased costs. This impact is further exacerbated by the depreciation of the dollar against the euro, which makes European exports more expensive in the US market, effectively acting as an additional "implicit duty". As a result, the financial sustainability of many companies, especially in industries heavily dependent on exports, could be jeopardised. In light of the high uncertainty and uncertainty experienced during the second quarter of 2025, the Group conducted a careful analysis to identify and assess these new risks. Initially, the sectors most exposed to US duties were identified, including automotive, agri-food and textiles, which are particularly vulnerable to changes in tariff regimes. On the basis of this segment boundary, the Group conducted a stress test exercise, aimed at measuring the potential impacts of both deteriorating credit positions of exposed customers and worsening coverage in the face of an increase in PD and migrations from Stage 1 to Stage 2 (according to IFRS 9 accounting standards). The risk parameters, such as PD, were stressed by considering the evolution of sectoral decay rates, underlying the adverse scenario, which was also used to estimate the forward-looking component of the IFRS 9 provisioning process, explained above. The choice of this scenario to assess the potential effects of the introduction of duties on Italian and European exports was motivated by its severity and was considered sufficiently stringent to obtain a robust and prudent assessment of the potential impacts on the Group's credit exposure. In the light of this analysis, it was considered that the risk of the introduction of duties already captured by the satellite models with the introduction of forward-looking elements into the risk parameters was appropriate overall, also in the light of the latest decisions between the EU and the US administration to this effect.

As already explained in previous reports, it is noted that the Covid-19-related health emergency in early March 2020 generated unprecedented impacts on global economic growth. This circumstance prompted intermediaries to consider possible impacts on credit risk produced by such extraordinary risk factors not adequately captured by the expected loss (ECL) calculation models in use. This, coupled with the need to capture expectations of a rapid deterioration in macroeconomic conditions from a forward-looking perspective, led the Group to introduce prudential adjustments ("management overlays") over time in the determination of expected losses (ECL); these adjustments were aimed in particular at capturing the risks associated with exposures to counterparties belonging to the most potentially vulnerable economic sectors.

After 2021, as a result of geopolitical tensions related to the Russia-Ukraine conflict and the conflict in the Middle East, the inflationary scenario and the slowdown in economic growth, the prudential adjustments applied and previously described were replaced and restated with the aim of factoring in the risks emerging from the

macroeconomic context of reference. In particular, a number of new prudential adjustments were introduced to take into account the macroeconomic context strongly influenced by geopolitical tensions, the impact of rising energy prices, inflationary dynamics, and the significant increase in interest rates in order to intercept risk factors relating to counterparties belonging to sectors considered particularly exposed to new emerging risks; in particular, companies in the manufacturing, agricultural, transport and energy trading sectors. The approach and criteria used have been made progressively more analytical and consistent over time through refinements introduced to reflect the Group's improved perception of the evolution of related risks.

Consequently, at 31 December 2023, the total amount of the described prudential adjustments (management overlay) recorded by the Parent company was approximately 52,3 million Euro, almost equally divided between adjustments to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and adjustments to hedge adverse macroeconomic expectations, the quantifications of which are also supported by stress scenario and sensitivity analyses. As at 31 December 2023, an additional 12,8 million Euro of prudential adjustments had also been provided for to protect positions specifically identified to take into account their possible deterioration, which can be estimated in a reasonably short time horizon and is not captured by current models ("expert-based" valuations).

Prudential adjustments resulting from expert-based assessments were fully utilised in 2024 following the actual classification of specifically identified positions as impaired exposures. In addition, management overlays set aside to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macroeconomic expectations, were utilised against the deteriorating dynamics of the underlying portfolio clusters, as the risks against which these overlays were set up were deemed to have materialised. The total amount of management overlays at 31 December 2024 was therefore 25,2 million Euro.

Given also the update of the analysis performed during the first half of 2025 on the prudential elements introduced in the previous years, there were no utilisations of management overlays, and therefore their total amount at 30 June 2025 is still 25,2 million Euro.

Finally, as discussed in more detail in the section "Managing Climate Change Risks" in this macro section "Information on risks and related hedging policies" of the Notes, a study was conducted on the effects of climate and environmental risks on credit risk, analysing the possible impacts that climate events could cause on risk parameters (PD and LGD) and consequently on the ECL of the performing portfolio. The analyses and additional simulations carried out in H1 2025 showed that, with reference to the overall scenario (weighted 60% as "base" and 40% as "adverse"), the impact of climate risks on the Banca Ifis Group's risk parameters (PD and LGD) is to be considered entirely marginal at the level of ECL increase. Notwithstanding the fact that the Group will continue in the near future to update analyses to assess climate risks and measure their impacts, given their negligible nature, in preparing the Condensed consolidated half-year financial statements at 30 June 2025, these effects have not been incorporated into the determination of the ECL through risk parameter adjustments or a specific overlay.

Finally, with regard to the determination of expected losses on exposures classified in Stage 3 assessed analytically, the quantification of those losses is determined on the basis of collection forecasts, formulated by the servicer, in terms of forecast cash flow and maturities, discounted on the basis of the original effective interest rates and the relevant collection time-line. For Stage 3 exposures that are not individually tested for impairment, the Group defines a lifetime provision in line with the concept of expected credit loss. The LGD metric, defined in line with the metrics adopted for performing loans, is then applied to calculate the collective losses of Stage 3 exposures.

Credit risk mitigation techniques

Credit risk mitigation techniques include instruments that contribute to reducing the loss that the Group would incur in the event of counterparty default; specifically, they refer to guarantees received from customers, both collateral and personal, and to any contracts that may lead to a reduction in credit risk.

In general, as part of the process of granting and managing credit, for certain types of lines, the release by customers of suitable guarantees to reduce their risk is encouraged. They can be represented by:

- collateral encumbering assets, such as pledges on financial assets, mortgages on real estate (residential/non-residential); and/or
- personal guarantees (typically sureties) on a third party where the person (natural or legal) acts as guarantor of the customer's debt position in the event of insolvency.

In particular:

- as part of factoring operations, when the type and/or quality of factored receivables do not fully satisfy requirements or, more generally, the invoice seller is not sufficiently creditworthy, the bank's established practice is to hedge the credit risk assumed by the Group by obtaining additional surety bonds from the shareholders or directors of the invoice seller. As for the account debtors in factoring relationships, wherever the Bank believes that the elements available to assess the account debtor do not allow to properly measure/assume the related credit risk, or the proposed amount of risk exceeds the limits identified during the debtor's assessment, the Bank adequately hedges the risk of default of the account debtor. Guarantees issued by correspondent factors and/or insurance policies underwritten with specialised operators are the main hedge against non-domestic account debtors in non-recourse operations;
- in loans to businesses, where possible, suitable guarantees are acquired from the Central Guarantee Fund or other companies coming under the public scope, such as SACE S.p.A.;
- in regard to Structured Finance, collateral is acquired according to the counterparty's standing as well as the term and type of the facility. Said collateral includes mortgage guarantees, liens on plant and equipment, pledges, surety bonds, credit insurance, and collateral deposits;
- as for finance leases, the credit risk is mitigated by the leased asset. The lessor maintains the ownership until the purchase option is exercised, ensuring a higher recovery rate in the event the client defaults;
- as for operations concerning distressed loans and purchases of tax receivables arising from insolvency proceedings, as well as the relevant business model, generally no action is implemented to hedge credit risks;
- salary-backed loans have low risk, considering the particular characteristics of this product: it requires having insurance against the customer's risk of death and/or loss of employment as well as imposing a lien on the severance indemnity earned by the customer as additional collateral for the loan.
- lending to pharmacies involves an advance as well as a transfer or debt collection mandate, with the possibility of deducting subsequent advances from existing credit facilities.

In line with that established by the Liquidity Decree (Italian Decree Law No. 23 of 8 April 2020), the Group has benefited from the guarantees offered by the state Guarantee Fund for the type of customer and loans envisaged by the Decree, with cover that can reach 100%. This guarantee enables a reduction in the RWAs relative to the credit risk, proportionally to the share of exposure covered by the Fund.

The acquired Npl portfolios include positions secured by mortgages on properties with a lower level of risk than the total portfolio acquired.

When calculating the overall credit limit for an individual customer and/or legal and economic group, the Bank considers specific criteria when weighing the different categories of risks and guarantees. Specifically, when measuring collateral, it applies prudential "spreads" differentiated by type of guarantee.

The Group continuously verifies the quality and adequacy of the guarantees acquired on the loan portfolio, with second level monitoring carried out by the Parent company's Risk Management function and carried out under the scope of the Single File Review (SFR).

Impaired credit exposures (Npls - non-performing loans)

Management strategies and policies

The Group adopts a business model that has peculiar features compared to most other Italian banking institutions, which largely operate as general banks.

This peculiarity of the business is reflected in the processes and management structures, generating flows and stock dynamics that are reflected in assets and related indicators.

Nonetheless, the Parent company believes that adopting "systemic" operational and structural ratios, and maintaining its indicators at the highest level of excellence, is a mark of quality and a value to be pursued as a specific goal in order to strengthen its corporate structure as well as improve its internal processes.

Among these, the quality of assets is a top priority that must be expressed both in the ability to provide credit, minimizing the risks of deterioration of exposures, and in the ability to manage non-performing exposures, optimising recovery performance in terms of amount and related timing.

In this sense, the Group's action is oriented in two directions:

- constant efforts to improve not only the processes for selecting and granting loans, but also the processes for managing performing loans, referring, where appropriate, to the commercial and/or selection policies of individual transactions, in order to contain the generation of non-performing loans in the best possible way;
- the definition of quantitative objectives (such as maximum limits) in terms of non-performing exposures as well as pre-established actions to be implemented according to appropriate application criteria and priorities, in order to ensure compliance with the established limits over time.

In managing these aspects, the Group must, however, necessarily take into account the different segments of business and related types of credit, classifying solutions and actions consistent with the specificities of the individual segments, in order to ensure the best result in terms of value protection and speed of solution.

In view of the above, the Group has maintained the following two indicators as performance indicators and explicit objectives to be pursued with careful and proactive management when updating its annual operating plan for the management of Npls, presented to the Bank of Italy in March 2025:

- "Gross Npe ratio", consisting of the ratio of "gross non-performing exposures" to "total receivables due from customers", excluding Npl Segment receivables and Government securities valued at amortised cost;
- "Net Npe ratio", consisting of the ratio of "non-performing exposures net of related adjustments" to "total receivables due from customers", excluding Npl Segment receivables and Government securities valued at amortised cost.

With reference to receivables due from customers for cash in place at 30 June 2025, excluding the positions stemming from the acquisition and management of non-performing exposures of third party originators managed by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, as well as the portfolios of retail loans, also in consideration of the uncertainty surrounding the global economic performance, the levels of Npe ratio are in line with those of the last Npl management plan defined early 2025. Regardless of the current outlook, the pursuit of the objective of a general limitation in the stock of non-performing loans remains and is expected to take place through a differentiated strategy in relation to the specificity of the individual portfolios concerned (taking into account the type of counterparty and the specificity of the individual products). In general, the action that will be taken is essentially based on the following goals, which it has been pursuing for some time now:

- containment of the default rate in order to reduce the inflow of non-performing positions by extending and strengthening the monitoring of lending aimed at anticipating, and possibly preventing, deterioration of positions;

- improvement of the "performing" rates of return through a more significant use of forbearance measures in relation to counterparties that show signs of financial difficulty;
- leveraging the expertise within the Banca Ifis Group at the reference date of the document and the virtuous collection processes currently in place to maximise collection rates;
- reducing the stock of non-performing loans by considering selective sales of individual significant positions as well as applying existing write-off policies.

The non-performing positions or the performing positions that in any case present significant problems are handled directly by specific organisational units established at each company of the Group, which:

- assess the counterparty's willingness and ability to repay the debt in order to establish the most appropriate recovery strategy;
- manage judicial and non-judicial proceedings concerning debt collection operations;
- define potential modifications to the administrative status as well as the quantification of "doubtful individual outcomes" for the positions assigned to it, submitting them to the competent decision maker;
- monitor the amount of exposures classified as bad loans and the relevant debt collection operations.

Write off

As specified by IFRS 9, a total or partial write-off is an event that results in derecognition when there is no longer a reasonable expectation that the financial asset will be recovered. It may occur before the lawsuit for recovery of the financial asset has concluded and does not necessarily imply a waiver of the legal right to collect the debt.

A receivable is derecognised when it is considered unrecoverable and the Group forfeits the legal right to collect it. For instance, this occurs when insolvency proceedings are settled, the borrower dies without heirs, a court issues a final ruling that the debt does not exist, etc.

As for total or partial derecognition without a forfeiture of the right to collect the receivable, to avoid continuing to recognise receivables that, even though they are still managed by debt collection structures, are highly unlikely to be recovered, at least every half-year, the Bank identifies the exposures to be derecognised that have all specific characteristics defined for each product.

At the Group level, relationships to be subject to derecognition are identified which simultaneously present the following characteristics:

- the receivable has been written off;
- the receivable has been classified as a bad loan for more than 5 years;
- the counterparty has filed for bankruptcy, been put into administrative liquidation (LCA), or is subject to any insolvency proceedings.

The derecognition of bad debts is a good management practice. It allows structures to concentrate on receivables that are still recoverable, guarantees an adequate representation of the ratio between anomalous receivables and total receivables and ensures a correct representation of balance sheet assets.

At an organisational level, the operating methods used by the various Group structures to eliminate credit exposures and to report to Top Management are described in detail in the Group's credit monitoring and recovery policies.

Purchased or originated credit impaired (POCI) financial assets

Organisational aspects

For organisational aspects relating to impaired financial assets acquired or originated, please refer to the specific paragraph above in the subsection "Organisational aspects" of this section "Prudential consolidation risks".

Quantitative information

The outstanding nominal amount of Ifis Npl Investing's proprietary portfolio is 18.989,8 million Euro. At the time of purchase, the nominal amount of these receivables was approximately 20.734,8 million Euro, and they were acquired for 1.376,5 million Euro, i.e. an average price equal to 6,64% of the historical nominal amount. In the first half of 2025, a nominal amount of 356.5 million Euro in receivables were acquired for 75.9 million Euro, i.e. an average price equal to 21,30%. The POCI outstanding portfolio has a weighted average ageing of 59 months compared to their original acquisition date.

As regards the individual phases of processing of Npl receivables, as described in paragraph "Organisational aspects" above in relation to credit risk, the carrying amount at 30 June 2025 of the positions in out-of-court management comes to 488 million Euro, whilst the carrying amount of the positions under legal management comes to 964 million Euro.

Finally, Ifis Npl Investing seizes market opportunities in accordance with its business model by selling portfolios of positions represented by processing codes, statute-barred loans or loans owned by deceased debtors, to third parties. During the first six months of 2025, 9 significant sales of portfolios were made to leading players operating in Npl purchases. Overall, receivables were sold with an amount of 14.6 million Euro, for an overall consideration of 31,9 million Euro.

Financial assets subject to business renegotiations and forbore exposures

Throughout the life of the financial assets, and specifically of receivables, the parties to the agreement subsequently agree to modify the original contractual terms. When, during the life of an instrument, the contractual terms are modified, the Group shall assess whether the original asset must continue to be recognised (so-called "modification without derecognition") or, conversely, the original instrument must be derecognised and a new financial instrument recognised in its place.

Generally, modifications of a financial asset result in its derecognition and the recognition of a new asset when they are "substantial". The "substantiality" of the modification shall be assessed considering both qualitative and quantitative factors. In some cases, it will become apparent, without conducting complex analyses, that the changes introduced substantially modify the characteristics and/or contractual cash flows of a specific asset, whereas in other cases, additional analyses (including quantitative analyses) will be required to appreciate their impact and assess whether to derecognise the asset and recognise a new financial instrument.

The (quali-quantitative) analyses aimed at defining the "substantiality" of the contractual modifications made to a financial asset shall therefore consider:

- the purposes for which the modifications were made: for instance, renegotiations for business reasons and forbearance measures due to the counterparty's financial difficulties:
 - the former, intended to "retain" the customer, involve a borrower that is not in financial distress. This case includes all renegotiations aimed at adjusting the cost of debt to market conditions. These transactions result in changes to the original contractual terms, usually at the request of the borrower, that concern aspects associated with the cost of debt, giving rise to an economic benefit for the borrower. Generally, the Group believes that, whenever it enters into a renegotiation in order to avoid losing the client, this renegotiation shall be considered as substantial, since, in its absence, the customer could obtain financing from another intermediary and the Group would see estimated future revenue decline;
 - the latter, offered for "credit risk reasons" (forbearance measures), are part of the Group's attempt to maximise the recovery of the cash flows of the original receivable. Following the modifications, usually the underlying risks and rewards have not been substantially transferred: therefore, the accounting presentation that provides the most relevant information to users of the financial statements (except for the following discussion about objective factors) is the one made through "modification accounting" - whereby the difference between the carrying amount and the present

value of modified cash flows discounted at the original interest rate is recognised through profit or loss - rather than derecognition;

- the existence of specific objective factors affecting the substantial modifications of the characteristics and/or contractual cash flows of the financial instrument (including, but not limited to, the modification of the type of counterparty risk the entity is exposed to) that are believed to require derecognising the asset because of their impact (estimated to be significant) on the original contractual cash flows.

As at 30 June 2025, the impact on the Banca Ifis Group of trade renegotiations or concessions constituting "modification without derecognition" under IFRS 9 is essentially nil.

Prudential consolidation - On- and off-balance-sheet exposures to customers: gross and net amounts

Types of exposures/Amounts	Gross exposure					Overall impairment losses/reversals and overall allocations					Net exposure
	Total	Stage 1	Stage 2	Stage 3	Purchased or originated impaired	Total	Stage 1	Stage 2	Stage 3	Purchased or originated impaired	
A. On-balance-sheet credit exposures											
a) Bad loans	1.319.408	X	X	138.943	1.180.465	96.955	X	X	96.953	-	1.222.453
b) Unlikely to pay	615.443	X	X	262.205	352.316	119.238	X	X	119.238	-	496.205
c) Non-performing past due exposures	58.908	X	X	54.765	4.143	6.499	X	X	6.499	-	52.409
d) Performing past due exposures	241.697	89.138	143.322	X	9.237	3.353	197	3.156	X	-	238.344
e) Other performing exposures	9.362.681	8.917.961	379.567	X	14.154	62.686	51.159	11.527	X	-	9.299.995
Total (A)	11.598.137	9.007.099	522.889	455.913	1.560.315	288.731	51.356	14.683	222.690	-	11.309.406
B. Off-balance-sheet credit exposures											
a) Non-performing	27.556	X	X	27.549	-	2.526	X	X	2.526	-	25.030
b) Performing	2.366.550	1.321.766	113.820	X	-	3.255	3.227	27	X	-	2.363.295
Total (B)	2.394.106	1.321.766	113.820	27.549	-	5.781	3.227	27	2.526	-	2.388.325
Total (A+B)	13.992.243	10.328.865	636.709	483.462	1.560.315	294.512	54.583	14.710	225.216	-	13.697.731

On-balance-sheet exposures include all on-balance-sheet financial assets due from customers regardless of the portfolio they are included in (measured at amortised cost, measured at fair value through other comprehensive Income, designated at fair value, mandatorily measured at fair value, under disposal).

Securitisation transactions

This section does not include securitisation transactions in which the originator is a bank belonging to the same prudential group and the total liabilities issued (e.g. ABS securities, loans during the warehousing phase, etc.) by the vehicle companies are subscribed at the time of issue by one or more companies belonging to the same prudential group. In other words, self-securitisations fully subscribed by companies belonging to the Banca Ifis Group's prudential consolidation, such as those of the vehicles INPL 2021-1 SPV S.r.l. and Emma S.P.V. S.r.l., are discussed in a later section to which we would refer you.

Qualitative information

The Banca Ifis Group has prepared a "Group Policy for the Management of Securitisation Transactions in the Role of Originator/Promoter/Investor", with which it regulates the process of managing securitisation transactions in the event that it intervenes in the role of "originator" (i.e. a party that participated in the original contract that created the obligations that originated the securitised exposures or that acquired the exposures of a third party and subsequently proceeds to their securitisation) of "investor" (i.e. a person underwriting the securities) or "sponsor" (i.e. a person structuring the transaction as defined in Art. 2 of EU Regulation 2017/2402). For each potential case, the policy sets out the responsibilities of the organisational units and corporate bodies, with reference to both the due diligence process and the ongoing monitoring of the transaction.

Outstanding securitisation transactions at 30 June 2025 are listed below.

Ifis ABCP Programme securitisation

In 2016, Banca Ifis launched a three-year revolving securitisation of trade receivables due from account debtors. After Banca Ifis (originator) initially reassigned the receivables for 1.254,3 million Euro, in 2018, the vehicle named Ifis ABCP Programme S.r.l. issued 850 million Euro, increased to 1.000 million Euro, worth of senior notes subscribed for by the investment vehicles owned by the banks that co-arranged the transaction, simultaneously with the two-year extension of the revolving period. An additional tranche of senior notes, with a maximum nominal amount of 150 million Euro, initially issued for 19,2 million Euro, and that was subsequently adjusted based on the composition of the assigned portfolio, was subscribed for by Banca Ifis. In 2019, this portion was first partially repaid by the vehicle, then sold to a third-party bank for a total residual value of 98,9 million Euro. The difference between the value of the receivables portfolios and the senior notes issued represents the credit granted to the notes' bearers, which consists in a deferred purchase price.

At the end of June 2024, this securitisation was restructured to a value of 1,2 billion Euro. This restructuring has led Banca Ifis, which assumed the role of Lead-Arranger and Calculation Agent, to improve the economic conditions of the securitisation and to enlarge the investor base from six to eight institutions. The banks already involved in the project were joined by "Cassa Depositi e Prestiti" (CDP), whose commitment aims to provide new finance to SMEs, and Natixis CIB, the latter also assuming the role of co-arranger. Overall, the restructuring involved maintaining the current structural features, net of the extension of the revolving period for a period of 24 months, the extension of the final maturity date of the securities and a revision of the economic conditions applied. The securities of the securitisation are today listed on the ExtraMOT PRO segment of Borsa Italiana. This restructuring transaction did not have any impact on the Banca Ifis Group's economic and financial position.

Banca Ifis acts as servicer, performing the following tasks:

- following collection operations and monitoring cash flows on a daily basis;
- reconciling the closing balance at every cut-off date;
- verifying, completing and submitting the Service report with the information on the securitised portfolio requested by the vehicle and the lending Banks at every cut-off date.

As part of the securitisation programme, the Bank sends the amount it collects to the vehicle on a daily basis, while the new portfolio is assigned approximately six times each month; this ensures a short time lapse between the outflows from the Bank and the inflows associated with the payment of the new assignments.

Only part of the securitised receivables due from account debtors are recognised as assets - especially for the portion that the Bank has purchased outright, resulting in the transfer of all risks and rewards to the buyer. Therefore, the tables in the quantitative disclosure show only this portion of the portfolio.

In compliance with IAS/IFRS accounting standards, currently the securitisation process does not involve the substantial transfer of all risks and rewards, as it does not meet derecognition requirements. In addition, the vehicle Ifis ABCP Programme S.r.l. was consolidated because, following an analysis of the requirements set forth in IFRS 10, it was found to be subject to the control of Banca Ifis (for further details, see the paragraph on "Scope and methods of consolidation" of the section on "Accounting policies" of these Notes).

The maximum theoretical loss for Banca Ifis is represented by the losses that could potentially arise within the portfolio of assigned receivables, and the impact would be the same as if the securitisation programme did not exist; therefore, the securitisation has been accounted for as follows:

- the securitised receivables purchased outright were recognised under "receivables due from customers", subitem "factoring";
- the funds raised from the issue of senior notes subscribed for by third parties were recognised under "debt securities issued" of the balance sheet liabilities;
- the interest on the receivables was recognised under the same item of the income statement "interest receivable and similar income";
- the interest on the notes was recognised under "interest due and similar expenses", sub-item "debt securities issued";
- the arrangement fees were fully recognised in profit or loss in the year in which the programme was launched.

Indigo lease securitisation

In 2016, the Banca Ifis Group, through the originator company, the former Ifis Leasing S.p.A. (incorporated into Banca Ifis since May 2018) finalised a securitisation that involved selling a portfolio of performing loans totalling 489 million Euro to the special purpose vehicle Indigo Lease S.r.l.

The securitisation was rated by the agencies Moody's and DBRS, which will also perform the annual monitoring throughout the term of the transaction.

The initial purchase price of the assigned receivables portfolio, equal to 489 million Euro, was paid by the vehicle to the merged entity, the former Ifis Leasing using funds raised from the issue of senior notes for an amount of 366 million Euro. These received an AA3 (sf) rating from Moody's and an AA (sf) rating from DBRS, and their redemption is connected to the collections realised on the receivables portfolio. In addition, the vehicle issued 138 million Euro in junior notes that were acquired by the former Ifis Leasing and did not receive a rating. In addition, the latter received a specific servicing mandate to collect and manage the receivables.

During 2017, following the transaction restructuring, a revolving system was launched involving monthly assignments of new credit to the SPV, until July 2021. At the same time, the maximum nominal amount of the senior and junior notes was increased respectively to 609,5 and 169,7 million Euro. In the same period, Banca Ifis acquired all the senior notes issued by the vehicle. Following the May 2018 merger of the former Ifis Leasing, for incorporation into Banca Ifis, the latter also became the subscriber of the junior notes.

A second restructuring took place in June 2021, with confirmation of the nominal amount of the securities and simultaneous extension of the revolving period until July 2023.

In July 2023, Banca Ifis finalised the restructuring of the securitisation, which entailed the extension of the revolving period for a further two years and an increase in the principal outstanding amount of the senior securities, as well as the derating and delisting of the same from the Luxembourg Stock Exchange (as of 20 July 2023), in addition to obtaining STS (Securitisation "Simple, Transparent and Standardised") status pursuant to EU Regulation 2017/2402 (Securitisation Regulation).

As part of the transaction, Banca Ifis sold to UniCredit Bank AG the entire amount of senior securities, corresponding to a nominal amount of 609,5 million Euro and a principal amount outstanding of 400 million Euro. The junior securities, with a principal amount outstanding of 147,6 million Euro, were fully retained by Banca Ifis as originator. Therefore, as of July 2023 Indigo Lease is no longer a self-securitisation.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were "restored" to the consolidated accounts of the Banca Ifis Group.

Other securitisations

As at 30 June 2025, the Banca Ifis Group holds a portfolio of securities issued by securitisation vehicles for a total of 282,4 million Euro, of which 231,4 million Euro measured at amortised cost and 51,0 million Euro measured at fair value with impact on the income statement. Such data includes:

- multi-originator securitisations in which the Group assumed, together with other banks, also the role of originator. The Group subscribed for securities with a carrying amount as at 30 June 2025 of 42,5 million Euro (at 31 December 2024, the carrying amount was 47,6 million Euro). For more details, please refer to the paragraph "Financial assets sold and derecognised in full" below, within the subsection "Disposal transactions" of this section on "Prudential consolidation risks".
- single-tranche securities characterised by a carrying amount at 30 June 2025 of 20,0 million Euro (33,1 million Euro at 31 December 2024);
- securities with underlying non-financial assets with a carrying amount at 30 June 2025 of 18,4 million Euro (21,8 million Euro at 31 December 2024).

Disposals

Financial assets sold and not fully derecognised

Transfer transactions that did not result in the derecognition of the underlying financial assets are represented by:

- securitisation transactions of credit exposures to customers;
- repurchase agreements (repos) on securities owned, mainly classified in the portfolios "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost".

In the case of repurchase agreements, the non-derecognition of the security, which is the subject of a spot sale, derives from the fact that the Group retains substantially all the risks and rewards associated with the security, having the obligation to repurchase it forward at a contractually agreed price. The securities being transferred therefore continue to be shown in the accounting portfolios to which they belong; the consideration for the transfer is recognised under "Financial liabilities measured at amortised cost: a) payables due to banks or b) payables due to customers", depending on the type of counterparty. In this regard, it should be noted that the following tables do not represent repurchase agreements on securities not recorded in the balance sheet, if the availability of the same results from reverse repurchase agreements.

For securitisation transactions, described in the section "Securitisation transactions" above, the non-derecognition follows the Group's subscription of the tranches of junior securities or similar exposures, which entail the risk of first losses for the Group and, likewise, the benefit associated with the return on the portfolio of transferred assets. In exchange for the transfer, the consideration received is recognised as a balancing entry to a liability to the special purpose vehicle, net of any tranches of securities subscribed or drawdowns of forms of liquidity support in favour of the vehicle in order to make principal payments. The loan thus recorded to the special purpose vehicle will be reduced by the sums collected by the originator, as "servicer", and transferred to the same vehicle.

Financial assets sold and not derecognised in full with recognition of continuing involvement

The Group has not entered into any disposal transactions for which disclosure is required under IFRS 7.

Financial assets sold and fully derecognised

As at 30 June 2025, the Group held securitised securities and mutual fund units acquired as a result of transactions involving the sale of financial assets that were derecognised in full during the first half of 2025 and in previous years. These transactions involved the transfer of financial assets, consisting of loans, by the Group, to securitisation special purpose entities or mutual funds and their derecognition in accordance with IFRS 9, following verification that the originator itself (the Parent company Banca Ifis or other Group companies) had substantially transferred the risks and rewards of the transferred assets and had simultaneously retained no control over those assets. Instead of these derecognised assets, securitised securities or fund units received in the same transactions have been recognised as financial assets.

Below is information provided on multi-originator sales of loan portfolios, in particular of "unlikely to pay" loans - that are attributable to the assignment of loans to a mutual fund with allocation of the relevant shares to the assigning intermediaries.

The following table provides details of the funds and other assets held (e.g. securitisation securities), showing the fund management company (or vehicle company in the case of securitisation transactions) of the balance sheet value at 30 June 2025.

Fund name	Carrying amount at 30.06.2025 (in thousands of Euro)	Asset management companies or special purpose vehicles
illimity Credit & Corporate Turnaround Fund	5.939	illimity SGR
City Regeneration Fund	8.365	Redo SGR
IDeA Corporate Credit Recovery I - Loans sub-fund	5.924	Dea Capital Alternative Funds SGR
IDeA Corporate Credit Recovery II - Loans sub-fund	6.270	Dea Capital Alternative Funds SGR
IDeA Corporate Credit Recovery II - Shipping sub-fund	444	Dea Capital Alternative Funds SGR
BCC NPLs 2020	28.133	BCC NPLs 2020 S.r.l.
BCC NPLs 2021	4.136	BCC NPLs 2021 S.r.l.
Luzzatti POP NPLs 2024 S.r.l.	10.850	Luzzatti POP NPLs 2024 S.r.l.

Transactions completed during the first half of 2025

During the first half of 2025, no transactions were undertaken in accordance with this disclosure.

Transactions concluded in previous years

Luzzatti

In December 2024, the subsidiary Ifis Npl Investing took part in the multi-originator securitisation transaction called 'Popolari NPLs 2024' involving loans owned by nine banks or financial intermediaries, including Ifis Npl Investing, deriving from mortgage or unsecured non-performing loans. The transaction was finalised with the acquisition of the loans by the special purpose vehicle company Law No. 130/1999 called Luzzatti POP NPLs 2024 S.r.l. and entailed for Ifis Npl Investing the sale of a non-performing loans portfolio (entirely made up of unsecured positions undergoing amicable collection) for a carrying amount of 10,3 million Euro and a residual nominal amount of 24,3 million Euro.

The securities were issued in three classes: a senior class offered for subscription to each of the originators at par and pro-rata and with an investment grade BBB area rating; a mezzanine class and a junior class both placed by IMI on the institutional market net of a 5% share subscribed by the originators in accordance with the provisions on the maintenance of a significant net economic interest (referred to as "risk retention"). Following Ifis Npl Investing's pro-rata subscription of the senior securities, they were sold to the Parent company Banca Ifis, net of a 5% share retained by Ifis Npl Investing.

The amount of senior securities at 30 June 2025 is 9,9 million Euro for Banca Ifis and 509 thousand Euro for Ifis Npl Investing, while the carrying amount of mezzanine and junior securities held by Ifis Npl Investing is essentially null.

In order to support the rating of the senior securities, Ifis Npl Investing and the other assignors finalised a Limited Recourse Loan with the special purpose vehicle Luzzatti POP NPLs 2024 S.r.l., aimed mainly at financing, in a manner commensurate with the price of the portfolio respectively sold, the initial cash reserve of the vehicle. As at 30 June 2025, the amount disbursed by Ifis Npl Investing was 0,4 million Euro.

"illimity Credit & Corporate Turnaround" fund

Restructuring fund managed by illimity SGR, established in 2021 with the objective of purchasing non-performing loans owed by banks to companies engaged in restructuring processes.

The subscription of the fund's shares by the Parent company Banca Ifis took place in April 2024 with an investment of 7,4 million Euro, an amount coinciding with the price of the sale of loans due in respect of an automotive company. At the time of subscription, the Parent company's investment amounted to 3,3% of the fund, and subsequently various closures took place, which did not affect Banca Ifis, and which reduced the fund's participation to 2,68%.

A first distribution was received in 2024. The carrying amount of the units held by Banca Ifis at 30 June 2025 is 5,9 million Euro.

IDeA CCR II Fund - Credit sub-fund

Fund established in 2017, a replica of the CCR I fund launched previously, with the objective of purchasing non-performing loans and instruments claimed by banks from companies involved in restructuring processes.

In 2017, Banca Ifis subscribed units for a total initial value of 8,8 million Euro in conjunction with the assignment to the Fund of its claim against a single debtor operating in the manufacturing sector.

At the time of subscription, Banca Ifis's share in the sub-fund was 3,72%. As a result of the subsequent closings implemented by the Fund, in which Banca Ifis did not participate, the Fund's shareholding in the sub-fund was reduced to 0,44%.

In December 2024, Banca Ifis subscribed a further 209,910 units in the fund for an equivalent amount of 3,8 million Euro in conjunction with the assignment to it of its claim against a company operating in the furnishings sector. At the time of subscription, the new units represented 0,64% of the total units issued. Following further closures by the end of 2024, the percentage dropped to 0,53% for a value of 3,1 million Euro.

Over the years, various distributions have been made in favour of shareholders. The carrying amount at 30 June 2025 is 6,3 million Euro.

City Regeneration Fund

A closed-end real estate alternative investment fund reserved for professional investors established in November 2020 with the objective of making sustainable investments in real estate initiatives aimed at urban regeneration and having a social impact, with a focus on Social Housing, Senior Living and Student Housing.

In November 2023, Banca Ifis sold its claim against a single debtor, the owner of the largest urban regeneration project in Italy, with a nominal amount of 9,2 million Euro and a carrying amount of 5,9 million Euro. For this transaction, Banca Ifis received units of the City Regeneration Fund, entered at a fair value of 6,3 million Euro.

As at 30 June 2025, Banca Ifis's share is 1,62% of the total value of the Fund's subscriptions and its carrying amount is 8,4 million Euro.

IDeA CCR I Fund - Credit sub-fund

Fund established in January 2016, with the objective of purchasing non-performing loans and instruments claimed by banks from companies involved in restructuring processes.

Banca Ifis became a shareholder in July 2019, as part of the last closing realised by the fund, through the subscription of units worth 15,9 million Euro, in conjunction with the sale to the fund of receivables and equity instruments owed to an operator in the automotive segment. Banca Ifis's share of the Fund is 13,66% of the sub-fund. In 2024, having reached maturity, the fund was put into liquidation. The sub-fund's management team is focused on selling the last asset in the portfolio from which the final redemption of units will be derived.

The carrying amount at 30 June 2025 is 5,9 million Euro.

IDeA CCR II Fund - Shipping sub-fund

Sub-fund established in 2018 within the CCR II Fund launched in 2017, specifically for non-performing loans arising from transactions with ship operators. The sub-fund is denominated in US dollars.

The subscription of the sub-fund's shares by Banca Ifis took place in December 2018 with an investment of 37,7 million Dollar, an amount coinciding with the price of the sale of ship mortgage-backed loans to as many operators. Banca Ifis's shareholding represents 19,34% of the sub-fund's units.

Over the years, the Fund has made significant distributions from the proceeds realised through the restructuring of receivables, repossession of ships and the subsequent sale of part of them, greatly anticipating the recovery expected by shareholders. The carrying amount at 30 June 2025 is 0,4 million Euro.

In addition to the above, again with a view to pursuing de-risking activities, Banca Ifis participated in two multi-originator securitisation transactions in 2020 and 2021, respectively.

"BCC NPLs 2020" securitisation

multi-originator transaction whereby, in November 2020, 90 banks, 88 of which belong to the Iccrea Cooperative Banking Group and two banks outside the group (Banca Ifis and Banca Popolare Valconca), completed the sale of an equal number of portfolios of non-performing loans classified as bad loans at the date of sale for a total credit claim of 2,3 billion Euro (of which 249,0 million Euro related to the portfolio sold by Banca Ifis) in favour of a vehicle company ("BCC NPLs 2020 S.r.l.") set up pursuant to Law 130/1999 through the realisation of a securitisation of bad loans guaranteed by Italian Treasury Department ("GACS") pursuant to L.D. No. 18 of 14 February 2016.

BCC NPLs 2020 S.r.l. financed acquisitions of the loans portfolio by issuing asset-backed securities, in accordance with the combined provisions of Articles 1 and 5 of Italian Law No. 130, for a total nominal amount of approximately 585 million Euro, structured into the following classes:

- 520 million Euro of Senior Securities (of which a nominal 55 million Euro subscribed by Banca Ifis), maturing in January 2045 and with Baa2 and BBB ratings issued by Moody's Italia S.r.l. and Scope, respectively;
- 41 million Euro in Mezzanine Notes maturing in January 2045, with rating Caa2 and CC assigned respectively by Moody's Italia S.r.l. and Scope;
- 24 million Euro in Junior Notes maturing in January 2045, unrated.

The Mezzanine Securities and the Junior Securities were subscribed by independent investors having no relationship and/or ties with the originator banks, it being understood that each originator bank undertook to maintain a share of at least 5% of the nominal amount of each tranche of Securities issued in the context of the Transaction. The share of Mezzanine and Junior Securities subscribed by Banca Ifis is 245 thousand Euro and 143 thousand Euro, respectively.

In the context of this transaction, the Parent company Banca Ifis benefited from the accounting and prudential derecognition of the transferred assets. The carrying amount at 30 June 2025 is 28,0 million Euro for senior units, 0,2 million Euro for mezzanine units, and junior units are of negligible value.

"BCC NPLs 2021" securitisation

Multi-originator transaction whereby, in November 2021, 77 banks, 74 of which belong to the Iccrea Cooperative Banking Group and 3 banks outside the group (Banca Ifis, Cassa di Risparmio di Asti and Guber Banca), completed the sale of an equal number of portfolios of non-performing loans classified as bad loans at the date of sale for a total credit claim of 1,3 billion Euro (of which 86,9 million Euro related to the portfolio sold by Banca Ifis) in favour of a vehicle company ("BCC NPLs 2021 S.r.l.") set up pursuant to Law 130/1999 through the realisation of a securitisation of bad loans guaranteed by Italian Treasury Department ("GACS") pursuant to L.D. No. 18 of 14 February 2016.

BCC NPLs 2021 S.r.l. financed acquisitions of the loans portfolio by issuing asset-backed securities, in accordance with the combined provisions of Articles 1 and 5 of Italian Law No. 130, for a total nominal amount of 336,5 million Euro, structured into the following classes:

- 284 million Euro of senior securities (of which a nominal 7,8 Euro subscribed by Banca Ifis), maturing in April 2046 and with Baa2, BBB and BBB ratings issued by Moody's Italia S.r.l., Scope and Arc Rating S.A., respectively;
- 39,5 million Euro in mezzanine notes maturing in April 2046, with rating Caa2, CCC and CCC+ assigned respectively by Moody's Italia S.r.l., Scope and Arc Rating S.A., respectively;
- 13 million Euro in junior notes maturing in April 2046, unrated.

The mezzanine securities and the junior securities were subscribed by independent investors having no relationship and/or ties with the originator banks, it being understood that each originator bank undertook to maintain a share of at least 5% of the nominal amount of each tranche of Securities issued in the context of the Transaction.

The share of mezzanine and junior securities subscribed by the Parent company Banca Ifis is 131 thousand Euro and 43 thousand Euro, respectively.

In the context of this transaction, Banca Ifis benefited from the accounting and prudential derecognition of the transferred assets. The carrying amount at 30 June 2025 is 4,0 million Euro for senior units, 0,1 million Euro for mezzanine units, and junior units are of negligible value.

Covered bond transactions

The Banca Ifis Group did not engage in any covered bond transactions.

Prudential consolidation - models for measuring credit risk

The Banca Ifis Group does not have internal portfolio models on credit risk (VaR methodology).

Market risks

Interest rate risk and price risk - supervisory trading book

General aspects

In the first half of 2025, the investment strategy continued, as regulated in the "Banca Ifis Proprietary Portfolio Management Policy" and in the "Policy for Managing Securitisation & Structured Solutions investment operations" is structured to coincide with the risk appetite formulated by the Board of Directors under the scope of the Risk Appetite Framework (RAF) and laid out in the "Group Market Risk Management Policy", as well as with the system of objectives and limits.

Consistent with the conservative "stance" outlined in the above-mentioned documents, the overall investment strategy focused on risk containment, implemented mainly by seeking out securities characterised by high liquidity and a strategy of steady returns over the medium term. Over the course of the first half of 2025, however, it was decided to gradually increase the duration and maturity of the portfolio, at the same time as increasing the equivalent amounts invested, in order to pursue a greater stability of interest flows in the presence of expected future declining returns. However, the change in portfolio composition was accompanied by continuous

monitoring of the exposure of the risks it generated. Compliance with the risk limits set by the Banca Ifis Group was verified on an ongoing basis by the Risk Management function.

It should also be noted that starting 2024, certain hedge accounting (micro fair value hedge) transactions were put in place on certain equity securities measured at fair value with an impact on overall profitability, realised through combinations of call and put options and maturing within 36 months. The purpose of these transactions is to reduce the price risk of the underlying securities, and they continued during the first half of 2025.

The component relating to the "trading book" from which the market risk in question originates was marginal with respect to the total investments in the banking book both in absolute terms of the risk values recorded and with respect to the established limits. The trading book mainly comprises options and futures deriving from hedging transactions and ancillary enhancements to the investment strategy in assets that are part of the "banking book" and "discretionary trading" portfolio, characterised by short-term speculation and marginal exposure.

The trading book also contains residual transactions from the Corporate Banking operations, as part of which clients were offered derivative contracts hedging the financial risks they assumed. In order to remove market risk, all outstanding transactions are hedged with "back to back" trades, in which the Bank assumes a position opposite to the one sold to corporate clients with independent market counterparties.

Management procedures and measurement methods concerning interest rate risk and price risk

The guidelines on the assumption and monitoring of market risk are laid out on a Group level in the "Group Market Risk Management Policy", which also indicates, for the purpose of a more rigorous and detailed representation of the process activities, the metrics used for the measuring and monitoring of this risk.

In particular, the measurement and assessment of market risks is based on the various characteristics (in terms of time frame, investment instruments, etc.) of the investment strategies used in the documents "Banca Ifis Proprietary Portfolio Management Policy" and "Policy for Managing Securitisation & Structured Solutions investment operations", which defines and details the strategies to be pursued in terms of portfolio structure, operative instruments and assets.

Under this scope, the monitoring of the consistency of the Group's portfolio risk profiles in respect of the risk/return objectives is based on a system of limits (both strategic and managerial), which envisages the combined use of various different indicators. More specifically, the following are defined:

- Maximum Acceptable Loss;
- Maximum negative gross financial impact;
- VaR (Value at Risk) limit;
- limits of sensitivity and Greeks;
- any limits to the type of financial instruments admitted;
- any composition limits.

Respect for the limits assigned to each portfolio is checked daily.

The summary indicator used to assess exposure to the risks in question is the Value at Risk (VaR), which represents market best practice for monitoring risks arising from financial market operations. It should be noted, however, that VaR and the limits derived from it, while not used by the Group as a proprietary internal model for determining capital requirements, are used on an ongoing basis for management assessment purposes. In a broader perspective relative to financial market operations, the banking portfolio is also prudentially monitored according to the logic of market risks and subject to specific limits, i.e., the positions to which an HTC&S (Held to Collect and Sell) business model is associated and recorded at fair value with impact on overall profitability (FVOCI), as well as the positions recorded at fair value with impact on the income statement (FVTPL), whose changes in value could have significant impacts on the Group's reserves (and consequently on the carrying amounts) and/or income statement.

VaR is a statistical measure to estimate the loss that could occur as a result of adverse movements in risk factors.

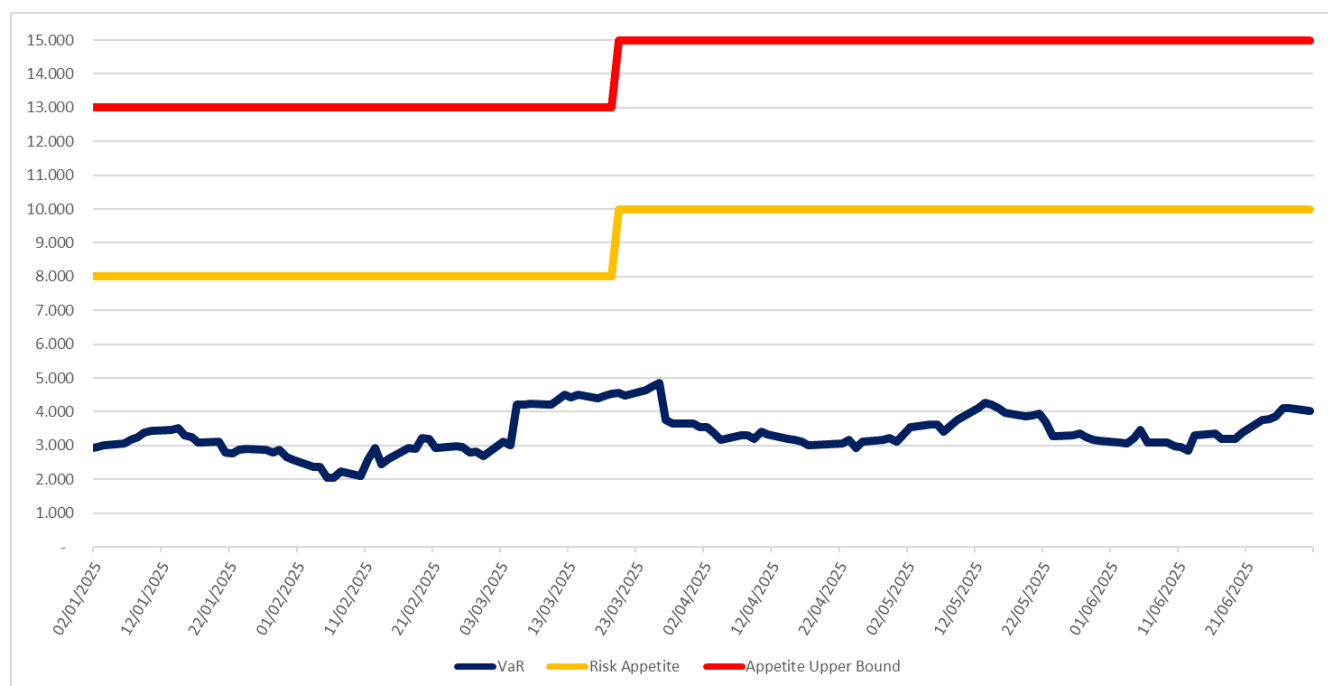
Specifically, the VaR is measured using a confidence interval of 99% and a holding period of 1 day; it expresses the “threshold” of daily losses that, on the basis of probabilistic hypotheses may only be surpassed in 1% of cases. The approach used to calculate the VaR is historical simulation. With this approach, the portfolio is re-valued, applying all variations to the risk factors recorded the previous year (256 observations). The values thus obtained are compared with the current portfolio value, determining the relevant series of hypothetical gains or losses. The VaR is the average of the second and third worst results.

The VaR is also divided, for monitoring purposes, amongst the risk factors referring to the portfolio.

In addition to the risk indications deriving from the VaR, the Expected Shortfall (ES), which expresses the daily loss that exceeds the VaR figure, and the Stressed VaRs, which represent VaR calculated in a particularly turbulent historical period, which in the specific case corresponds to the Italian debt crisis of 2011-2012 and the 2020 Covid-19 pandemic, are also used for monitoring purposes.

The forecasting capacity of the risk measurement model used is verified through a daily backtesting analysis in which the VaR for the positions in the portfolio at t-1 is compared with the profit and loss generated by such positions at t.

During the first half of 2025, VaR utilisation was well below the assigned limit at all times, partly as a result of the low volatility experienced by the various asset classes, as can be seen in the chart below. The figure at the end of June 2025 stands at 4 million Euro, against a risk appetite level of approximately 15 million Euro.



Interest rate risk and price risk - banking book

General aspects, management procedures and measurement methods concerning the interest rate risk and the price risk

The assumption of a significant interest rate risk is in principle unrelated to the management of the Group. In terms of breakdown of the balance sheet with reference to the types of risk in question, in respect of the liabilities, the main funding source is still the on-line savings accounts and the Rendimax current account, structured into the technical forms of fixed-rate customer deposit accounts for the restricted component and the non index-linked variable rate that can be unilaterally revised by the Group in respect of the rules and contracts, for the technical forms of unrestricted demand and on-call current accounts. The other main components of funding concern fixed-rate bond funding, variable-rate securitisation operations, repurchase agreements at both fixed and variable rate and loans with the Eurosystem (referred to as LTRO and MRO) at variable rates.

As for the assets, loans to customers still largely have floating rates as far as both trade receivables and corporate financing are concerned.

As for the operations concerning distressed retail loans carried out by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, the first is characterised by a business model focused on acquiring receivables at prices lower than their nominal amount, there is a potential interest rate risk associated with the uncertainty about when the receivables will be collected.

As at 30 June 2025, the comprehensive bond portfolio mainly comprises government securities for a percentage of 74%; the modified average duration and average maturity of the portfolio are respectively 4,3 years and 5,4 years.

The Capital Markets function is appointed to guarantee the rate risk management, which, in line with the risk appetite established, defines what action is necessary to pursue this. The Risk Management function is responsible for proposing the risk appetite, identifying the most appropriate risk indicators and monitoring the relevant performance of the assets and liabilities in connection with the pre-set limits. Top Management makes annual proposals to the Parent company Banca Ifis Board as to the policies on lending, funding and the management of interest rate risk, as well as suggesting appropriate actions by which to ensure that operations are carried out consistently with the risk policies approved by the Group.

The Risk Management function periodically reports to the Parent company's Board of Directors on the interest rate risk position by means of a specific monthly report prepared for the Parent company's management.

The interest rate risk falls under the category of second-pillar risks. The guidelines on the assumption and monitoring of market risk are laid out on a Group level in the "Group Banking Book Credit Spread and Interest Rate Risk Management Policy", which also indicates, for the purpose of a more rigorous and detailed representation of the process activities, the metrics used for the measuring and monitoring of the risk in question. Monitoring is performed at the consolidated level.

Starting from 2023, the Banca Ifis Group hedges the interest rate risk. In particular, the Group adopts various "fair value hedge" type strategies, in which the hedging instruments are IRS plain vanilla derivative contracts and the "hedged items" are certain government bonds (in this case Italian BTPs) measured at amortised cost and certain debt securities measured at fair value through other comprehensive income (including bank securities and Eurozone government securities).

The classification of the bonds held as "Financial assets measured at fair value through other comprehensive income" introduces the risk that the Group's reserves may fluctuate as a result of the change in their fair value. This risk is mitigated, however, as the Banca Ifis Group has adopted the sterilisation regime provided for in Regulation (EU) No 2024/1623 Article 468, in order to neutralise the impact on equity arising from the treatment of unrealised gains and losses on government securities measured at fair value through other comprehensive income. This regime is transitional in nature and will be valid until 31 December 2025. There is also a residual portion in equity securities, which belong to the major European indexes and are highly liquid, including "Financial assets measured at fair value through other comprehensive income". A part share of these assets are economically hedged through derivatives that are part of the trading book, not represented in the accounts through hedge accounting.

Below is the sensitivity analysis for the main balance sheet items, both assets and liabilities, with evidence of the effect of a 1 basis point movement up or down, also showing the relative duration alongside.

Macro item (figures in units of Euro)	Sensitivity +1 bps	Sensitivity -1 bps	Duration
1. On-balance-sheet assets	(2.927.174)	2.930.193	1,99
1.1 Debt securities	(1.363.082)	1.364.537	3,63
1.2 Loans to banks	(668)	669	0,01
1.3 Loans to customers	(1.563.423)	1.564.987	1,54
2. On-balance-sheet liabilities	1.311.998	(1.312.625)	1,02
2.1 Payables due to customers and securities issued	1.155.738	(1.156.305)	1,16
2.2 Payables due to banks	156.260	(156.321)	0,57
3.1 Hedging derivatives - variable leg	(26.018)	26.036	0,30
3.2 Hedging derivatives - fixed leg	478.654	(479.050)	5,49
Total	(1.162.539)	1.164.553	0,77

From a managerial viewpoint, the above assets are specifically monitored as regulated in the documents "Group Market Risk Management Policy" and "Group Banking Book Credit Spread and Interest Rate Risk Management Policy".

The following table shows the sensitivity analysis with reference to the impact at the level of the economic item "Net interest income", and consequently at the level of the pre-tax result for the period, of a change of 1 basis points up or down, set forth at the level of the associated interest-bearing asset components.

Macro item (figures in units of Euro)	Sensitivity -1 bps	Sensitivity +1 bps
Debt securities	(78.002)	77.997
Receivables due from banks	(67.939)	67.933
Receivables due from customers	(466.621)	466.588
Payables due to customers and debt securities issued	379.983	(379.953)
Payables due to banks	172.742	(172.730)
Hedging derivatives	(57.050)	57.047
Total	(116.887)	116.883

It should be noted that, as required by regulations, the values proposed in the above tables represent sensitivity analyses referring to a 12-month time horizon.

Currency risk

General aspects, management procedures and measurement methods of the currency risk

The assumption of currency risk, intended as an operating element that could potentially improve cash management performance, is not part of the Group's policies. The Banca Ifis Group's foreign currency operations largely involve collections and payments associated with factoring operations and in hedging assets in foreign currencies, like units of UCITS. In this sense, the assets in question are generally hedged with deposits and/or loans from other banks in the same currency, thus eliminating for the most part the risk of losses associated with exchange rate fluctuations. In some cases, synthetic instruments are used as hedging instruments.

A residual currency risk arises as a natural consequence of the mismatch between the clients' borrowings and the Capital Markets function's funding operations in foreign currency. Such mismatches are mainly a result of the difficulty in correctly anticipating financial trends connected with factoring operations, with particular reference to cash flows from account debtors vis-à-vis the maturities of loans granted to customers, as well as the effect of interest on them.

However, the Capital Markets function strives to minimise such mismatches every day, constantly realigning the size and timing of foreign currency positions.

Currency risk related to the Bank's business is assumed and managed according to the risk policies and limits set by the Parent company's Board of Directors, with precise delegations of power limiting the autonomy of those authorised to operate, as well as especially strict limits on the daily net currency position.

The business functions responsible for ensuring the currency risk is managed correctly are: the Capital Markets function, which, amongst other duties, directly manages the Bank's funding operations and currency position; the Risk Management function, responsible for selecting the most appropriate risk indicators and monitoring them with reference to pre-set limits; and the Top Management, which every year, based on the Capital Markets function's proposals, shall consider these suggestions and make proposals to the Banca Ifis Board of Directors regarding policies on funding and the management of currency risk, as well as suggest appropriate actions during the year in order to ensure that operations are conducted consistently with the risk policies approved by the Group.

As regards the subsidiaries Ifis Finance Sp. z o.o. and Ifis Finance I.F.N. S.A., which operate on the Polish and Romanian markets, respectively, exposures in Polish zloty and leu from factoring activities are financed by funding in the same currency.

With the acquisition of the Polish subsidiary, Banca Ifis has assumed the currency risk represented by the initial investment in Ifis Finance Sp. z o.o.'s share capital for an amount of 21,2 million Zloty and the subsequent share capital increase for an amount of 66 million Zloty.

As instead for the Rumanian subsidiary Ifis Finance I.F.N. S.A., Banca Ifis assumed the exchange rate risk on its own at the time of its incorporation through the initial payment into the share capital totalling 14,7 million Romanian Leu and at the time of the payments of 9,6 million Leu, 24,7 million Leu and 49,0 million Leu as a capital increase respectively during the second half of 2022 and the first and second half of 2023.

The Risk Management function is committed to monitoring the set limits, aimed at verifying that the Group's exchange rate risk remains low. As at 30 June 2025, the total net position amounts to about 2,5 million Euro (or about 0,1% of own funds), with a maximum single-currency exposure of 1,1 million Euro.

Currency risk hedging

Considering the size of this investment and the foregoing on the management method, the Bank did not deem it necessary to hedge the ensuing currency risk.

Derivative instruments and hedging policies

Derivative instruments held for trading

Financial derivatives

Please see the paragraph above on "Market risks".

Credit derivatives

The Banca Ifis Group does not hold credit derivatives.

Hedges

Fair value hedging

The Banca Ifis Group's hedges are designed to reduce the Group's overall exposure to interest rate risk caused by movements in the interest rate curve, as well as to the price risk, caused by market fluctuations. Specifically, the hedging strategies relate to:

- a "package" of specific hedges on fixed-rate securities in the Group's Proprietary Portfolio with which a "HTC" (Held to Collect) business model is associated. These are government bonds issued by the Italian government (BTPs) that pass the "SPPI test" prescribed by IFRS 9, and are therefore classified in the balance sheet item "Financial assets measured at amortised cost - receivables due from customers";

- specific hedges on certain fixed-rate securities in the Group's Proprietary Portfolio with which a "HTC&S" (Held to Collect & Sell) business model is associated. These are debt securities (including bank and Eurozone government securities) that pass the "SPPI test" prescribed by IFRS 9, and are therefore classified in the balance sheet item "Financial assets measured at fair value through other comprehensive income";
- specific hedges on certain equity securities for which the Banca Ifis Group has exercised the "OCI Option" envisaged by IFRS 9, and that are therefore classified in the balance sheet item "Financial assets measured at fair value through other comprehensive income".

In hedge accounting, the Group applies standard IFRS 9 and, at the reference date of these Condensed consolidated half-year financial statements, only adopts specific hedges (micro fair value hedges) and not general hedges (macro fair value hedges).

Within the micro fair value hedge, debt securities and equity securities on the asset side are hedged.

The main types of hedging derivatives used are:

- plain interest rate swaps (IRS), which are not listed on regulated markets but are traded on over-the-counter (OTC) circuits;
- put and call options, not listed on regulated markets but traded on OTC circuits.

Cash flow hedging

As at 30 June 2025, the Banca Ifis Group does not engage in cash flow hedges.

Foreign investment hedges

As at 30 June 2025, the Banca Ifis Group does not engage in net investment hedging in a foreign entity.

Hedging instruments

The main causes of ineffectiveness of the model adopted by the Group for verifying the effectiveness of hedges are attributable to the following phenomena:

- mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of initial designation or generated thereafter, such as in the case of any partial disposals of the hedged securities;
- application of different curves on the hedging derivative and the hedged item for the purpose of performing the effectiveness test on fair value hedges. Derivatives are discounted to Overnight curves, while hedged items are discounted to the indexation curve of the hedging instrument;
- inclusion in the effectiveness test of the value of the variable leg of the hedging derivative, assuming a fair value hedge.

The ineffectiveness of the hedge is promptly detected for the purposes:

- the determination of the effect on the income statement or on comprehensive income (in the case of fair value hedges on equity securities measured at fair value through comprehensive income);
- assessing whether or not hedge accounting rules can continue to be applied.

The Group does not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

Items hedged

The main types of items hedged are, at the reference date of this document, debt securities and equity securities on the asset side. They are hedged in micro fair value hedge relationships, using interest rate swaps (IRS) and put and call options as hedging instruments.

The interest rate risk or price risk is generally hedged for all or most of the term of the bond.

To verify the effectiveness of the hedge, the Group uses a prospective effectiveness test measured through the ratio of the delta fair value of each hedging instrument and the related hedged item based on sensitivity analysis

of 100 bps on interest rates for debt securities, while the verification of the effectiveness of the hedge on equity securities is carried out through a prospective test on a -20% shock in the price of the underlying asset. The verification of hedging effectiveness through the prospectus described above is performed prior to the designation of the hedging relationship, as an ex-ante estimate, and is subsequently monitored on an ongoing basis and reported periodically to senior management.

Liquidity risk

General aspects, management procedures and measurement methods of the liquidity risk

The liquidity risk refers to the possibility that the Group fails to service its debt obligations due to the inability to raise funds or sell enough assets on the market to address liquidity needs. The liquidity risk also refers to the inability to secure new adequate financial resources, in terms of amount and cost, to meet its operating needs and opportunities, hence forcing the Group to either slow down or stop its operations, or incur excessive funding costs in order to service its obligations, significantly affecting its profitability.

As at 30 June 2025, financial sources mainly consisted of equity, online funding (Rendimax product), consisting of on-demand and time deposits, medium/long-term bonds issued as part of the EMTN programme, medium/long-term securitisation transactions, as well as funding from corporate customers. Funding in the form of repurchase agreements (REPO), entered into with leading banks, continued to be a significant source of funding in the first half of 2025. Lastly, with regard to funding from the Eurosystem, typically realised through LTRO and MRO operations, the Parent company participates in weekly auctions on an ongoing basis (at 30 June 2025, there was an MRO operation for 500 million Euro, carried out in the last week of June and repaid on 2 July 2025).

The Group's activities consist of factoring operations, which focus mainly on trade receivables and receivables due from Italy's public administration maturing within the year, and medium/long-term receivables deriving mainly from Leasing, Corporate banking, Structured Finance and Workout, Restructuring & Recovery operations; security portfolio management, mainly comprising eligible and readily liquid Italian government securities are also important.

As for the Group's operations concerning the Npl Segment and the segment relative to purchases of tax receivables arising from insolvency proceedings, the characteristics of the business model imply a high level of variability concerning both the amount collected and the date of actual collection. Therefore, the timely and careful management of cash flows is particularly important. To ensure expected cash flows are correctly assessed, also with a view to correctly pricing the transactions undertaken, the Group carefully monitors the trend in collections compared to expected flows.

The Group is constantly striving to improve the state of its financial resources, in terms of both size and cost, so as to have available liquidity reserves adequate for current and future business volumes.

The amount of high-quality liquidity reserves (mainly consisting of the balance of the management account with the Bank of Italy and the free portion of eligible securities) makes it possible to meet regulatory requirements (with respect to the limits of LCR and NSFR) and internal requirements relating to prudent management of liquidity risk.

The objective of the Group's operational liquidity management is to ensure the Banca Ifis Group's ability to meet its cash payment commitments over the short-term time horizon. The essential condition for normal business continuity in banking is the maintenance of a sustainable imbalance between cash inflows and outflows in the short term. From a management point of view, the reference metric in this respect is the difference between the net cumulative cash flow and the Counterbalancing Capacity, i.e. the liquidity reserve to cope with short-term stress conditions, in addition to the regulatory measure of the Liquidity Coverage Ratio (LCR). From a very short-term perspective, the Group adopts the intraday liquidity analysis and monitoring system with the aim of ensuring the normal development of the Group's treasury day and its ability to meet its intraday payment commitments.

The Group's structural liquidity management aims to ensure the financial balance of the structure by maturity over the time horizon of more than one year. Maintaining an adequate ratio of medium- to long-term liabilities to assets is aimed at avoiding pressure on short-term funding sources, both current and prospective. The reference metrics

refer to the regulatory indicator of the Net Stable Funding Ratio (NSFR) and, management-wise, to the gap ratios, which measure both the ratio of total funding and loans with maturities over 1 year and over 3 and 5 years.

The main indicators used by the Banca Ifis Group to assess its liquidity profile are as follows:

- Liquidity Coverage Ratio (LCR), which is the short-term liquidity indicator and corresponds to the ratio of the amount of High Quality Liquidity Assets to total net cash outflows over the next 30 calendar days. As of 2018, the indicator is subject to a minimum regulatory requirement of 100%;
- Net Stable Funding Ratio (NSFR), which is the 12-month structural liquidity indicator and corresponds to the ratio of the available amount of stable funding to the required amount of stable funding. For this indicator, the regulatory minimum requirement has been set at 100% as of 2021.

Below are the two indicators in the reporting period compared with the previous year.

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
LCR	2.619%	1.295%	944%	738%	720%	290%
NSFR	140%	139%	139%	134%	130%	n.d.

Both indicators thus remain well above regulatory limits, confirming a more than adequate liquidity position in terms of both operational and structural liquidity.

With specific reference to climatic and environmental risk factors, the materiality analysis conducted led to their quantification as non-material, due to the low impact of these factors in terms of available cash reserves and related cash outflows on the Group's funding.

The corporate functions of the Parent company responsible for ensuring the correct application of the liquidity policy are the Capital Markets function, which is responsible for the direct management of liquidity, the Risk Management function, which is responsible for proposing the risk appetite, identifying the most appropriate risk indicators and monitoring their performance in relation to the set limits and supporting the activities of Top Management. The latter has the task, with the support of the Capital Markets function, of proposing funding and liquidity risk management policies to the Board of Directors on an annual basis and suggesting during the course of the year any appropriate measures to ensure that activities are carried out in full compliance with approved risk policies.

As part of the continuous process to update procedures and policies concerning liquidity risk, and taking into account the changes in the relevant prudential regulations, the Parent uses an internal liquidity risk governance, monitoring, and management framework at the Group level.

In compliance with supervisory provisions, the Group also has a Contingency Funding Plan aimed at protecting it from losses or threats arising from a potential liquidity crisis and guaranteeing business continuity even in the midst of a serious emergency arising from its own internal organisation and/or the market situation.

The liquidity risk position is periodically reported by the Risk Management function to the Banca Ifis Board of Directors.

With reference to the Polish and Rumanian subsidiaries, treasury operations are coordinated by the Parent company.

Self-securitisation transactions

Ifis NPL 2021-1 Spv

In March 2021, Banca Ifis realised for financing purposes, through its subsidiary Ifis Npl Investing, the very first securitisation in Italy of a non-performing portfolio mainly comprising unsecured loans backed by Garnishment Orders. The transaction is an innovative solution for this type of non-performing exposure, where the debt collection procedure through compulsory enforcement (attachment of one fifth of the salary) is at an advanced stage. The transaction aimed to collect funding for Ifis Npl Investing of up to 350 million Euro in liquidity on the

institutional market, without deconsolidating the underlying credits. The loan portfolios concerned by the transaction (a portfolio of secured loans and an unsecured portfolio backed by Garnishment Orders) owned by the subsidiary Ifis Npl Investing, was transferred to a newly-established SPV called Ifis NPL 2021-1 Spv S.r.l., which issued senior, mezzanine and junior notes. These tranches were initially fully subscribed by Ifis Npl Investing, and subsequently the senior tranches (net of the 5% retained by Ifis Npl Investing as originator pursuant to the retention rule) were sold to Banca Ifis.

As at 30 June 2025 the Banca Ifis Group had therefore subscribed all the notes issued by the vehicle. It should be noted that the senior tranches held by Banca Ifis were used for long term repurchase agreements transactions with leading banking counterparties.

On the basis of the contractual terms underlying the securitisation in question, there is no substantial accounting transfer ("derecognition" in accordance with IFRS 9) of all the risks and rewards relating to the receivables being sold to the vehicle company.

Emma S.P.V.

The securitisation transaction called Emma, prepared by the former Farbanca (now renamed Banca Credifarma following the merger by incorporation of the former Credifarma in April 2022), became part of the Banca Ifis Group as a result of the acquisition of control of this company during 2020.

In March 2018, the former Farbanca autonomously completed this securitisation for a total nominal amount of 460 million Euro. The loan portfolio transferred regarded performing exposures relative to secured credit, mortgage and unsecured loans, characterised by average seasoning of 7 years. The transaction, structured by Banca IMI (Intesa Sanpaolo Group) was completed with the acquisition of loans by the SPV pursuant to Italian Law No. 130/1999, called Emma S.P.V. S.r.l. The securities were issued in three classes: a senior class for an amount of 322 million Euro (fully subscribed by institutional investors through private placement), a mezzanine class of 46 million Euro and a junior class of 96 million Euro (both subscribed fully by the former Farbanca).

This transaction was restructured during June 2021. The restructuring, which provided for the extension of the revolving period and a size increase in the transaction up to a total of 540 million Euro, was carried out with the involvement of the Parent company Banca Ifis and Intesa Sanpaolo as co-arrangers. Following this restructuring, the securities were issued in three partly paid classes: the senior class, with a nominal amount of 397,5 million Euro, was fully subscribed by Duomo Funding Plc while the mezzanine and junior classes, with a nominal amount respectively of 53,0 million Euro and 90,1 million Euro, were fully subscribed the former Farbanca (now Banca Credifarma), which also fulfils the retention obligations in accordance with the CRR, as originator.

As a result of the revolving structure of the transaction, a further 312 new loans were assigned during 2023, for a total equivalent value of 104,7 million Euro (residual outstanding stipulated amount, including unpaid principal and interest and expenses on past due and unpaid instalments).

During the first half of 2025, the Parent company Banca Ifis purchased all senior securities from Duomo Funding Plc. Therefore, at 30 June 2025, the securities issued by the vehicle were fully subscribed by the Banca Ifis Group and, consequently, from a consolidated point of view, this transaction was a self-securitisation.

The outstanding amount of senior, mezzanine and junior securities at 30 June 2025 was 219,6 million Euro, 53,0 million Euro and 83,5 million Euro, respectively.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were "restored" to the consolidated accounts of the Banca Ifis Group.

Securitisation transactions

As for the securitisations outstanding at 30 June 2025 and their purpose, see the comments in the previous paragraph on "Credit risk".

Operational risks

General aspects, management procedures and measurement methods of the operational risk

Operational risk is the risk of losses arising from inadequate or dysfunctional processes, human resources, internal systems or external events. This definition does not include strategic risk and reputational risk, but it does include legal risk (i.e. the risk of losses deriving from failure to comply with laws or regulations, contractual or extra-contractual liability, or other disputes), IT risk, risk of non-compliance, fraud risk, risk of money laundering and terrorist financing, and the risk of financial misstatement.

The main sources of operational risk are operational errors, inefficient or inadequate operational processes and controls, internal and external frauds, the outsourcing of business functions, the quality of physical and logical security, inadequate or unavailable hardware or software systems, the growing reliance on automation, staff below strength relative to the size of the business, and inadequate human resources management and training policies.

The Banca Ifis Group has adopted for a while now - consistently with the relevant regulatory provisions and industry best practices - an operational risk management framework. This consists in a set of rules, procedures, resources (human, technological and organisational), and controls aiming to identify, assess, monitor, prevent or mitigate all existing or potential operational risks in the various organisational units, as well as to communicate them to the competent levels. The key processes for the proper management of operational risk are represented:

- by the Loss Data Collection activity, i.e. the structured collection and census of losses deriving from operational risk events, which is consolidated thanks also to the constant activity by the Risk Management function to disseminate among the corporate structures a culture oriented towards the awareness and proactive management of operational risks;
- by the prospective self-assessment of risk exposure through the execution of periodic Risk Self Assessment and Model Risk Self Assessment campaigns, aimed at obtaining an overall view of risks in terms of frequency and/or potential financial impact and the related organisational safeguards.

With specific reference to the monitoring of the evolution of ICT and Security risk³ and the assessment of the effectiveness of ICT resource protection measures, the Banca Ifis Group, in compliance with the regulatory requirement⁴ has opted for a shared responsibility model, assigning tasks to the Risk Management and Compliance corporate control functions, in relation to the roles, responsibilities and competences of each of the two functions. In particular, the Risk Management function conducts ICT and security risk analysis processes in accordance with the organisational and methodological framework approved by the Board of Directors in order, for example, to verify compliance with the ICT and security risk propensity level, the related risk objectives that the Group intends to achieve, and the resulting operational limits. If the level of ICT and security risk exceeds the defined threshold value, in order to bring it back within the acceptable risk threshold, measures are identified to deal with it, which flow into the "Treatment Plan" that identifies responsibilities for implementing individual corrective actions.

³ Following the enactment of EU Regulation 2022/2554 ("DORA") of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector, which aims to ensure that financial institutions are able to cope with, react to and recover from all types of ICT-related disruptions and threats by demonstrating resilience, the Banca Ifis Group has launched a project to ensure compliance with this Regulation.

⁴ On 2 November 2022, the Bank of Italy issued the 40th update of the "Supervisory Provisions for Banks", amending Chapter 4 "The Information System" and Chapter 5 "Business Continuity" of Part One, Title IV, to implement the "Guidelines on Information Technology (ICT) Risk Management and Security" (EBA/GL/2019/04) issued by the EBA. On this occasion, some work was also carried out to reconcile and update the internal references in Section I of Chapter 3 "The Internal Controls System". Moreover, following the issuance of the Digital Operational Resilience Regulation ("DORA"), the Banca Ifis Group launched a dedicated project initiative aimed at defining and implementing the necessary compliance measures.

The results of the above-mentioned analyses are reported in the "Summary Report on the ICT and Security Risk Situation" subject to annual approval by the CEO in his capacity as the body with management functions.

In addition, according to its operational risk management framework (including the ICT and Security risk), the Group defines a set of measures that can promptly identify the presence of vulnerabilities in the exposure of the Bank and its subsidiaries to operational risks. These measures are continuously monitored and disclosed in periodic reports through synthetic risk measures that are shared with the competent structures and bodies: events such as the breach of certain thresholds or the emergence of anomalies trigger specific escalation processes aimed at defining and implementing appropriate mitigation actions. In addition, as part of the definition of the Risk Appetite Framework (RAF), the preparation of the Recovery Plan and ICAAP reporting, Risk Management function performs analyses by which it assesses its exposure to exceptional but plausible operational risk events. These analyses, referred to as stress analyses, contribute to verifying the resilience of the Group by simulating the impacts of adverse situations in terms of riskiness under the assumption of adverse scenarios.

In order to prevent and manage operational risk, the Parent company's Risk Management function, in collaboration with the other corporate functions, is involved in measuring the risks connected with the supply contracts with ICT third parties and the outsourcing of simple, essential or important operational functions and in assessing the risks associated with the introduction of new products and services and the preliminary assessment of the operative impact of the massive changes to the product contractual and economic conditions.

Concerning the companies of the Banca Ifis Group, please note that the management of operational risks is guaranteed by the strong involvement of the Parent company, which makes decisions in terms of strategies, also in respect of risk management.

To calculate capital requirements against operational risks, the Group adopted the Standardised Measurement Approach (SMA) envisaged by supervisory regulations.

Alongside operational risk, reputational risk is also managed.

Reputational risk represents the current or prospective risk of a decrease in profits or capital deriving from a negative perception of the Group's image by customers, counterparties, shareholders, investors or the Supervisory Authorities.

Reputational risk is considered a second-level risk, as it is generated by the manifestation of other types of risk, such as the risk of non-compliance, strategic risk and in particular operational risks.

As in the case of operational risk, the Parent's Risk Management function is responsible for managing reputational risk: it defines the Group's overall framework - in accordance with the relevant regulations as well as industry best practices - for the management of reputational risk, with the goal of identifying, assessing, and monitoring the reputational risks that the Group's Companies or organisational units assume or may assume. The framework involves conducting a forward-looking Reputational Risk Self-Assessment, and defining and monitoring a set of risk measures over time. The principles and guidelines that the Banca Ifis Group intends to adopt in the area of operational and reputational risk management are expressed in the "Group Policy for Operational and Reputational Risk Management" applied and disseminated, to the extent of its competence, to all organisational units of the Bank and Group companies. Similarly, with regard to the fundamentals inspiring IT risk management, there is a "Group Policy for ICT and Security Risk Management" in force, which operates both at the level of the Parent company Banca Ifis and its subsidiaries.

Insurance company risks

The Banca Ifis Group does not engage in transactions that give rise to risks to be reported in this section.

Risks of the other entities

There were no additional material risks for the other entities included in the scope of consolidation that are not part of the Banking Group other than those reported in the section dedicated to the Banking Group.

Related-party transactions

In compliance with the provisions of Consob resolution No. 17221 of 12 March 2010 (as subsequently amended by means of Resolution No. 17389 of 23 June 2010) and the provisions of Bank of Italy Circular 263/2006 (Title V, Chapter 5), the "Group Policy covering transactions with related parties, associates and corporate representatives pursuant to Art. 136 of the Consolidated Law on Banking" was prepared. This document is publicly available on Banca Ifis's website, www.bancaifis.it, in the "Corporate Governance" Section.

During the first half of 2025, there were no transactions with related parties during the reference period that materially affected the Group's financial position or results.

With regard to transactions of greater significance carried out with related parties as defined by the Group's policies pursuant to Article 4 of the Consob regulation on related party transactions, see the specific paragraph in the section below entitled "Information on related-party transactions".

As at 30 June 2025, the Banca Ifis Group was owned by La Scogliera S.A. and consists of the Parent company Banca Ifis S.p.A., the wholly-owned subsidiaries Ifis Finance Sp. z o.o., Ifis Rental Services S.r.l., Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A. and Cap.Ital.Fin. S.p.A., of Ifis Finance I.F.N. S.A. controlled 99,99%, the 87,74% owned subsidiary Banca Credifarma S.p.A. and the vehicle Ifis NPL 2021-1 SPV S.r.l., in which the Group holds the majority of the shares.

The types of related parties, as defined by IAS 24, that are relevant for the Banca Ifis Group include:

- the ultimate Parent company La Scogliera S.A.;
- the associated companies Justlex Italia S.T.A.P.A. and Redacta S.T.A. a.r.l.;
- key management personnel of the Parent company;
- close relatives of key management personnel of the Parent Company and the companies controlled by (or associated to) them or their close relatives.

Here below is the information on the remuneration of key management personnel as well as transactions undertaken with the different types of related parties.

Information on the remuneration of key management personnel

The definition of key management personnel, as per IAS 24, includes all those persons having authority and responsibility for planning, directing and controlling the activities of the Parent company Banca Ifis, directly or indirectly, including the Bank's Directors (whether executive or otherwise).

In compliance with the provisions of the Bank of Italy's Circular No. 262 of 22 December 2005 as subsequently updated, key management personnel also include the members of the Board of Statutory Auditors.

Key management personnel in office at 30 June 2025

Figures in thousands of Euro	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	
					Stock options	Other share-based payments
Administrative and auditing bodies ⁽¹⁾	3.354	-	97	-	-	191
Other managers ⁽²⁾	2.904	25	212	173	-	411
Total at 30.06.2025	6.258	25	309	173	-	602

(1) These refer to positions on the Board of Directors (or similar bodies) and the Board of Statutory Auditors of the Parent company Banca Ifis.

(2) They refer to managers with the position of Co-General Manager or other Key Manager of the Parent company Banca Ifis.

The above information includes fees paid to directors (3,4 million Euro, gross amount) and statutory auditors (196 thousand Euro, gross amount). Post-employment benefits amounting to 25 thousand Euro refer to the health insurance policy for executives terminating their employment due to retirement.

Information on related-party transactions

Here below are the assets, liabilities, guarantees and commitments outstanding at 30 June 2025, broken down by type of related party pursuant to IAS 24.

Related party transactions: balance sheet and off-balance sheet items

Items (figures in thousands of Euro)	Parent company	Key management personnel	Other related parties	Total	As a % of the item
Financial assets measured at fair value through profit or loss	-	-	26.756	26.756	10,0%
Financial assets measured at fair value through other comprehensive income	-	-	334	334	0,0%
Receivables due from customers measured at amortised cost	-	2.230	9.162	11.392	0,1%
Other assets	18.054	-	1.477	19.531	5,1%
Total assets	18.054	2.230	37.729	58.013	0,4%
Payables due to customers measured at amortised cost	-	2.052	4.930	6.982	0,1%
Other liabilities	20.906	-	5.335	26.241	6,8%
Valuation reserves	-	-	(733)	(733)	3,4%
Total liabilities	20.906	2.052	9.532	32.490	0,2%
Commitments and guarantees (off-balance sheet)	-	451	6.017	6.468	n.a.

Related party transactions: income statement items

Items (figures in thousands of Euro)	Parent company	Key management personnel	Other related parties	Total	As a % of the item
Interest receivable and similar income	-	17	1	18	0,0%
Interest due and similar expenses	-	(16)	(5)	(21)	0,0%
Administrative expenses	(1.352)	-	(11.662)	(13.014)	6,1%
Other operating income and expenses	-	2	24	26	0,2%

The transactions with the ultimate Parent company La Scogliera S.A. concern the application of Group taxation (tax consolidation) in accordance with Arts. 117 et seq. of Italian Presidential Decree No. 917/86. Relations between the ultimate Parent company and subsidiaries included in the tax consolidation are regulated by private agreements signed between the parties. All adhering entities have an address for the service of notices of documents and proceedings relating to the tax periods for which this option is exercised at the office of La Scogliera S.A., the consolidating company. Under this tax regime, the taxable income and tax losses are transferred to the consolidating company La Scogliera S.A., which is responsible for calculating the overall Group income. With reference to "Other assets", at 30 June 2025 Banca Ifis recorded a receivable for 1,6 million Euro from the ultimate Parent company, Cap.Ital.Fin. entered a receivable of 456 thousand Euro, Ifis Rental Services a receivable of 2,9 million Euro, while Ifis Npl Investing and Ifis Npl Servicing recorded a receivable of 9,2 million Euro and 319 thousand Euro, respectively. With regard to "Other liabilities", at 30 June 2025, Ifis Rental Services

recorded a liability of 1,5 million Euro, Ifis Npl Investing a liability of 17,6 million Euro and Ifis Npl Servicing a liability of 549 thousand Euro.

The amounts recorded under "Other assets" towards the consolidating company La Scogliera totalling 14,5 million Euro almost exclusively represent advance payments made in respect of the 2025 tax period, while the amounts recorded under "Other liabilities" for a total of 19,7 million Euro, represent the tax burden relating to the first half of 2025.

Transactions with key management personnel relate almost entirely to mortgages, Rendimax savings and current accounts.

Transactions with other related parties that are part of Banca Ifis's ordinary business are conducted at arm's length. "Other assets" include 1,5 million Euro to a minority shareholder of the Bank as advances for the provision of goods and services.

In addition to the above, during the first half of 2025, the Group purchased legal services from affiliated companies for 11,7 million Euro, which are then deferred on the basis of the progress of the processing of receivables pertaining to the Npl Segment.

Other information

With reference to Paragraph 8 of Article 5 "Public disclosure of related-party transactions" of the Consob Regulation containing provisions on related party transactions (adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended), for the Banca Ifis Group, there were no significant transactions concluded in the first half of 2025.

Share-based payments

Description of share-based payment agreements

Below are the equity-based payment arrangements, as defined by IFRS 2, for the Banca Ifis Group's staff.

A variable remuneration system is in place for all employees, with the exception of those of a Group subsidiary for which there is a different national collective bargaining agreement classification.

Access to the variable portion for all personnel is subject to compliance with the conditions for access (so-called "gate") provided for by the following indicators measured at year-end:

- Return On Risk-Adjusted Capital (RORAC) at Group level, defined as the ratio between consolidated net profit and Capital absorbed by Pillar 1 risks (i.e. 8% of Pillar 1 Risk Weighted Assets), above the tolerance threshold defined annually in the Banca Ifis Group's Risk Appetite Framework (RAF) at consolidated level;
- compliance with the tolerance threshold, higher than the minimum regulatory limit, of the Group's Liquidity Coverage Ratio (LCR) indicator, as defined annually in the Banca Ifis Group's RAF at a consolidated level in compliance with current supervisory regulations;
- compliance with the tolerance threshold, higher than the minimum regulatory limit, of the Group's Net Stable Funding Ratio (NSFR) indicator, as defined annually in the Banca Ifis Group's RAF at a consolidated level in compliance with current supervisory regulations;
- Consolidated Total Capital Ratio above the tolerance threshold defined annually in the Banca Ifis Group RAF at consolidated level, which exceeds the Overall Capital Requirement announced by the Supervisory Body as part of the "Capital Decisions" following the periodic Supervisory Review and Evaluation Process (SREP).

Failure to meet one of these conditions will result in variable pay not being awarded.

Without prejudice to the opening of the gates to the payment of variable remuneration described above, the variable remuneration of the Chief Executive Officer of the Bank is linked to the achievement of specific qualitative and quantitative performance targets.

In particular, the CEO is the recipient of a Short-Term Incentive System ("STI"). He was also assigned a "2021-2023 Long Term Incentive Plan" (the "LTI Plan"), which vested on 31 December 2023, for which please refer to the disclosure in the specific paragraph in this section.

With reference to the Short-term Incentive (STI) System, the objectives envisaged for 2025 for the CEO represent a combination of quantitative and qualitative criteria, referring to the Group's results, as well as qualitative aspects relating to strategic action.

The performance scorecard includes the declination of the following KPIs:

- Economic-financial KPIs with a weight of 65%, structured over three specific drivers (profitability, credit cost and efficiency), consistent with the Group's 2025 objectives;
- KPI of strategy and sustainability with a weight of 35%, which aim to assess the achievement of strategic directives, as well as the achievement of Group objectives in the ESG area.

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

This variable component is paid in the amount of 40% with a non-deferred payment (up front) and in the amount of 60% with a deferred payment over a period of five years (starting from the year following the year in which the up front portion accrues), in accordance with the provisions of the relevant supervisory regulations for variable remuneration of particularly high amounts.

The deferred portion of variable remuneration (amounting to 60%) shall be paid as follows:

- 55% (i.e. 33% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year;
- 45% (i.e. 27% of the total variable remuneration) in cash, subject to annual revaluation at the legal rate in force over time.

The portion of variable remuneration up front (40%) and is paid as follows:

- 50% (i.e. 20% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year;
- 50% (i.e. 20% of total variable remuneration) paid in cash.

It is understood that the allocation of Banca Ifis shares will affect, in addition to the Chief Executive Officer and the Co-General Managers, the employees identified as most relevant pursuant to Circular No. 285/2013 and Delegated Regulation No. 923/2021 where the variable component of remuneration is above 50 thousand Euro or represent more than a third of the annual total remuneration.

For the purpose of assigning variable remuneration in financial instruments, or in Banca Ifis shares, the Bank calculates the fair value of the share - at the time of the assignment - based on the average stock market price with reference to the month prior to the date of approval of the Banca Ifis Financial Statements by the Shareholders' Meeting (or, in the case of assignment of variable remuneration for any reason subsequent to the Shareholders' Meeting, from the date of the event, this being understood to mean any dates of signing of agreements or in the absence thereof, the dates of approval by the competent bodies of the related awards). The number of shares is determined by rounding to the nearest integer.

Variable pay is subject to malus/clawback mechanisms that may cause the amount to be as low as zero if certain conditions are met.

Long Term Incentive (LTI) Plan 2021-2023 for the Chief Executive Officer, Co-General Managers and other Group employees

LTI Plan for the CEO

The Chief Executive Officer of Banca Ifis is also the recipient of a Long Term Incentive (LTI) Plan 2021-2023, approved by the Board of Directors on 24 June 2021 and by the Shareholders' Meeting of the Parent company on 28 July 2021 and which vested on 31 December 2023. The Plan provided for the assignment to the CEO, free of charge, of a certain number of options that will give the right to purchase, at a unit exercise price (the "strike price") equal to 12,92 Euro, a corresponding number of Banca Ifis shares.

The Plan granted the CEO of the Parent company the right to receive up to a maximum of 696.000 options at the end of the vesting period and on achievement of the objectives of the Plan.

Considering the vesting of the Plan on 31 December 2023 at the end of the three-year vesting period (2021-2023), and the options became exercisable after an additional year of retention, subject to the circumstance that the relationship between the Bank and the CEO is still in place, and that pre-determined quantitative and qualitative, financial and non-financial targets, linked to the Group's long-term strategies, have been achieved.

The final results confirmed the attainment of the minimum level with reference to the TSR objectives and the maximum level with reference to the economic-financial and ESG indicators. Consequently, on the basis of the resolution of the Shareholders' Meeting of Banca Ifis of 18 April 2024, the Chief Executive Officer was assigned 609.000 option rights, which became exercisable after a one-year retention period in accordance with the regulatory time-line.

Also for the 2021-2023 LTI Plan, options are granted to the CEO 40% as up front and 60% as deferred over 5 years.

During the first half of 2025, the CEO exercised 243.600 option rights at a strike price of 12,92 Euro, receiving 243.600 Banca Ifis shares as an allotment.

LTI Plan for Co-General Managers and other Group employees

As envisaged in the Plan approved by the Shareholders' Meeting of 28 July 2021, and in execution of the mandate granted to the Board of Directors on that occasion, on 9 June 2022, the latter resolved to include 13 "additional beneficiaries" in the LTI Plan, apart from the CEO, assigning them the same objectives already envisaged for the Chief Executive Officer and illustrated in the 2022 Remuneration Policy. These additions to the Plan were then approved by the Shareholders' Meeting of Banca Ifis on 28 July 2022.

Also for these additional beneficiaries, represented by high-level managers (including 12 key managers and Co-General Managers), the Plan provides for the assignment of a certain number of options that will entitle them to purchase, free of charge and always at a strike price per share of 12,92 Euro, a corresponding number of Banca Ifis shares.

A further addition to this Plan, proposed by the Board of Directors and approved by the Shareholders' Meeting held on 20 April 2023, concerned operational aspects of the Plan's mechanics (which otherwise remains unchanged in all its essential and structural elements, as already approved at the aforementioned Shareholders' Meetings). In particular, the integration consisted in recognising the possibility for beneficiaries, at the opening of each option exercise window, to postpone the exercise of all or part of any options that may have vested and may already be exercised in that window in the subsequent "exercise windows" provided for by the Plan.

It is also noted that during the first half of 2023, the resignation of an executive with strategic responsibility included in the Plan took place, with the consequent loss of his status as a beneficiary of the Plan

As a result of the aforementioned changes in 2022 and 2023, the Plan's beneficiaries, apart from the CEO, total 12, including 11 executives with strategic responsibilities, and the maximum amount of options assignable is 300.000.

This Plan also vested on 31 December 2023 at the end of the vesting period, and the options became exercisable after an additional year of retention, subject to the circumstance that the relationship between the Group and the beneficiaries is still in place, and that pre-determined quantitative and qualitative, financial and non-financial targets, linked to the Group's long-term strategies, have been achieved. The options became exercisable upon attainment of the targets under the Plan and for a total number of up to a maximum of 300.000 options (320.000 original) in total that can be allocated to the 12 additional beneficiaries.

The aforementioned options are counted for each of the beneficiaries, for the purpose of calculating the ratio between fixed and variable remuneration, 50% for FY 2022 and the remaining 50% for FY 2023.

For the TSR and gross profit targets, the calculation was carried out for the two-year vesting period, while for the other targets the calculation was based on the results achieved at 31 December 2023 (thus considering the entire duration of the 2021 - 2023 Plan).

The outcome of the Plan's finalisation found that the TSR objectives were not achieved in view of the two-year vesting period instead of the three-year period; the other objectives were achieved at the maximum level. Consequently, by resolution of the Shareholders' Meeting of Banca Ifis of 18 April 2024 for the remaining 12 beneficiaries, a total of 225.000 option rights were assigned, which became exercisable at the end of the one-year retention period.

During the first half of 2025, these beneficiaries exercised 135.000 option rights at a strike price of 12,92 Euro, receiving 135.000 Banca Ifis shares as an allotment.

Accounting representation at 30 June 2025

At an accounting level, this stock option plan has been accounted for in accordance with the provisions of IFRS 2 for equity settled transactions. In view of the difficulty of reliably assessing the fair value of the services received as consideration for stock options, reference is made to the initial fair value of the latter.

The fair value of the payments settled by the issuance of these options for the services covered by the LTI Plan was recognised as an expense in the income statement under "Administrative Expenses: a) Personnel Expenses"

as an offsetting entry to "Reserves" in Equity on an accrual basis in proportion to the vesting period over which the service is provided. For the first half of 2025, there are no costs recorded in the Income Statement. The shareholders' equity reserve offsetting costs recorded in previous years, associated only with the stock options actually granted by resolution of the shareholders' meeting of 18 April 2024, amounted to a total of 2,2 million Euro at 31 December 2024. During the first half of 2025, a total of 378.600 options were exercised at a strike price of 12,92 Euro (of which 243.600 were exercised by the CEO and 135.000 by the other beneficiaries), with an associated stock option reserve totalling 1,1 million Euro. Therefore, the remaining stock option reserve at 30 June 2025 amounts to 1,1 million Euro.

For more details on the Banca Ifis Group's equity-based payment arrangements, refer to the "2025 Report on Remuneration Policy and Remuneration Paid", prepared pursuant to Article 123 ter of the TUF, available on the corporate website www.bancaifis.it, where the remuneration policy valid for the Group for FY 2025 is illustrated.

Other information

If a result is achieved that equals or exceeds 100% of the annual targets assigned, the variable component of Top Management will be considered as accrued in the amount of 100% of its value; the number of shares to be attributed will be in any case calculated as described above.

Segment reporting

In accordance with standard IFRS 8, a company must provide information that allows users of the financial statements to assess the nature and effects on such of the business it pursues and the economic contexts in which it operates.

The contribution therefore needs to be highlighted as made by the various "business Segments" to forming the Group's economic result.

Identification of the "Business Segments" of this section is consistent with the methods adopted by the Corporate Management to take operative decisions and is based on internal reporting, used in order to allocate the resources to the various segments and analyse the relevant performance. With this in mind, and also in order to improve the representation of the Group's profitability, business Segments are also highlighted that fall below the quantitative thresholds laid down in par. 13 of IFRS 8.

For the first half of 2025, the business Segments taken as a reference for the provision of the information under review are the same as those used for the Consolidated financial statements at 31 December 2024, namely:

- Commercial & Corporate Banking Segment, that represents the Group's commercial offer dedicated to businesses and also includes personal loans with the assignment of one-fifth of salary or pension. The Segment consists of the Factoring, Leasing and Corporate Banking & Lending Business Areas;
- Npl Segment, dedicated to non-recourse factoring and managing distressed loans, servicing and managing non-performing, secured loans.
- Governance & Services and Non-Core Segment, which provides the segments operating in the Group's core businesses with the financial resources and services necessary to perform their respective activities. The Segment includes treasury and proprietary securities desk activities, as well as some corporate loans portfolio assigned for run-off insofar as held to be non-strategic to the Group's growth.

For a description of the configuration of the above-mentioned Business Segments, please refer to the information contained in the "Contribution of operating segments to Group results" section of the Directors' Report on the Group.

The following tables provide detailed income statement and balance sheet data by Segment at 30 June 2025 compared with the corresponding figures for the previous year.

To allow a more immediate reading of the results, reclassified economic data is prepared within this section.

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

Reclassifications and aggregations of the economic data concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- cost and revenue items deemed as "non-recurring" (e.g. because they are directly or indirectly related to business combination transactions, such as the "gain on a bargain purchase" in accordance with IFRS 3), are excluded from the calculation of "Operating costs", and are therefore reversed from the respective items as per Circular 262 (e.g. "Other administrative expenses", "Other operating income/costs") and included in a specific item "Non-recurring income and costs";
- 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 financial and balance sheet numerical of the Segments are attributed on the basis of homogeneous allocation criteria in order to take into account both the specificity of the various segments and the need to guarantee effective monitoring of business performance over time.

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

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNANCE & SERVICES AND NON-CORE SEGMENT	TOTAL CONS. GROUP TOTAL
	TOTAL COMMERCIAL & CORPORATE BANKING SEGMENT	of which: FACTORING AREA	of which: LEASING AREA	of which: CORPORATE BANKING & LENDING AREA			
Other financial assets mandatorily measured at fair value through profit or loss							
Amounts at 30.06.2025	166.624	979	-	165.645	35.264	51.330	253.218
Amounts at 31.12.2024	143.933	975	-	142.958	36.293	56.806	237.032
% Change	15,8%	0,4%	-	15,9%	(2,8)%	(9,6)%	6,8%
Financial assets measured at fair value through other comprehensive income							
Amounts at 30.06.2025	927	-	-	927	-	997.065	997.992
Amounts at 31.12.2024	993	-	-	993	-	700.837	701.830
% Change	(6,6)%	-	-	(6,6)%	-	42,3%	42,2%
Receivables due from customers ⁽¹⁾							
Amounts at 30.06.2025	6.933.907	2.710.999	1.622.958	2.599.951	1.546.796	2.223.001	10.703.704
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	(0,7)%	(6,5)%	0,6%	5,2%	1,7%	(3,5)%	(1,0)%
Goodwill							
Amounts at 30.06.2025	-	-	-	-	38.020	-	38.020
Amounts at 31.12.2024	-	-	-	-	38.020	-	38.020
% Change	-	-	-	-	0,0%	-	0,0%
Other assets							
Amounts at 30.06.2025	115.531	115.531	-	-	-	264.870	380.401
Amounts at 31.12.2024	163.000	163.000	-	-	-	219.965	382.965
% Change	(29,1)%	(29,1)%	-	-	-	20,4%	(0,7)%

(1) In the Governance & Services and Non-Core Segment, at 30 June 2025, there are government securities amounting to 1.687,6 million Euro (1.579,0 million Euro at 31 December 2024).

The remaining balance sheet items, other than those shown in the above table, are allocated to the Governance & Services and Non-Core Segment, from which the corresponding economic items are reallocated to the other Segments, on a direct or indirect basis.

RECLASSIFIED INCOME STATEMENT DATA AT 30.06.2025 (in thousands of Euro)	COMMERCIAL & CORPORATE BANKING SEGMENT				NPL SEGMENT	GOVERNA NCE & 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	108.880	49.731	26.301	32.848	140.729	(7.099)	242.510
Net commission income	45.975	29.361	5.950	10.664	(766)	(855)	44.354
Other components of net banking income	18.228	5	-	18.223	16.615	29.253	64.096
Net banking income	173.083	79.097	32.251	61.735	156.578	21.299	350.960
Net credit risk losses/reversals	(21.294)	269	(3.495)	(18.068)	12	2.122	(19.160)
Net profit (loss) from financial activities	151.789	79.366	28.756	43.667	156.590	23.421	331.800
Operating costs	(86.527)	(49.658)	(16.585)	(20.284)	(95.661)	(18.790)	(200.978)
Charges related to the banking system	-	-	-	-	-	(21)	(21)
Net allocations to provisions for risks and charges	3.946	4.098	91	(243)	(105)	1.694	5.535
Non-recurring expenses and income	-	-	-	-	-	(9.561)	(9.561)
Pre-tax profit (loss) for the period from continuing operations	69.208	33.806	12.262	23.140	60.824	(3.257)	126.775
Income taxes for the period relating to continuing operations	(21.226)	(10.369)	(3.761)	(7.096)	(18.654)	998	(38.882)
Profit (loss) for the period	47.982	23.437	8.501	16.044	42.170	(2.259)	87.893
(Profit) loss for the period attributable to non-controlling interests	-	-	-	-	-	(775)	(775)
Profit (loss) for the period attributable to the Parent company	47.982	23.437	8.501	16.044	42.170	(3.034)	87.118

As specifically regards the Npl Segment, below is the breakdown of net loans by credit quality.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	AMOUNTS		CHANGE	
	30.06.2025	31.12.2024	ABSOLUTE	%
Net bad loans	1.177.073	1.184.378	(7.305)	(0,6)%
Net unlikely to pay	344.442	308.540	35.902	11,6%
Net non-performing past due exposures	3.695	3.837	(142)	(3,7)%
Total net non-performing exposures to customers (Stage 3)	1.525.210	1.496.755	28.455	1,9%
Total net performing exposures (Stages 1 and 2)	21.586	24.246	(2.660)	(11,0)%
- of which: proprietary loans acquired	8.416	10.666	(2.250)	(21,1)%
- of which: loans disbursed	396	533	(137)	(25,7)%
- of which: debt securities	10.458	11.602	(1.144)	(9,9)%
- of which: receivables related to servicer activities	2.316	1.445	871	60,3%
Total on-balance-sheet receivables due from customers	1.546.796	1.521.001	25.795	1,7%
- of which: owned receivables acquired measured at amortised cost	1.533.626	1.507.421	26.205	1,7%

For a more detailed analysis of the results of the business segments, please refer to the section “Contribution of operating Segments to Group results” of the Interim Directors' report on the Group.

Venice - Mestre, 1 August 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.

2025

Consolidated Half-Year Financial Report
at 30 June 2025

Attestations and reports

Certification of the Manager charged with preparing the Company's financial reports

Certification of the Condensed consolidated half-year financial statements at 30 June 2025 pursuant to art. 154-bis, paragraph 5, of Legislative Decree no. 58 of 24 February 1998 and Art. 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

1. We, the undersigned, Frederik Herman Geertman – CEO and Massimo Luigi Zanaboni - Manager charged with preparing the Company's financial reports of Banca Ifis S.p.A., having also taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree no. 58 dated 24 February 1998, hereby certify:
 - the adequacy in relation to the characteristics of the company;
 - the actual application of the administrative and accounting procedures for the preparation of the Condensed consolidated half-year financial statements, during the period 1 January 2025 - 30 June 2025.
2. The adequacy of the administrative and accounting procedures in place for preparing the Condensed consolidated half-year financial statements at 30 June 2025 has been assessed through a process established by Banca Ifis S.p.A. on the basis of the guidelines set out in the Internal Control– Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO), an internationally accepted reference framework.
3. The undersigned further confirm that:
 - 3.1 the Condensed consolidated half-year financial statements:
 - have been prepared in accordance with the Accounting Standards applied recognized by the European Union pursuant to (EC) Regulation No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
 - correspond to the related books and accounting records;
 - provide a true and correct representation of the financial position of the issuer and the group of companies included in the scope of consolidation.
 - 3.2 The Group consolidated interim management report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the Condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The Group consolidated interim management report also includes a reliable analysis of the disclosure on significant related party transactions.

Venice - Mestre, 1 August 2025

CEO

Manager Charged with preparing
the Company's financial reports

Frederik Herman Geertman

Massimo Luigi Zanaboni

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

Report of the Independent Auditors limited to the Condensed consolidated half-year financial statements



Review report on condensed consolidated half year financial statements

To the shareholders of
Banca Ifis SpA

Foreword

We have reviewed the condensed consolidated half year financial statements of Banca Ifis SpA and its subsidiaries (the Banca Ifis Group) as of 30 June 2025, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the consolidated cash flow statement and related explanatory notes. The directors of Banca Ifis SpA are responsible for the preparation of the condensed consolidated half year financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated half year financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution n° 10867 of 31 July 1997. A review of condensed consolidated half year financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated half year financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half year financial statements of Banca Ifis Group as of 30 June 2025 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Milan, 1 August 2025

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

PricewaterhouseCoopers SpA

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Gimma 72 Tel. 080 5640211 - Bergamo 24121 Largo Belotti 5 Tel. 035 229691 - Bologna 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Piccapietra 9 Tel. 010 29041 - Napoli 80121 Via dei Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Fochetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Felissent 90 Tel. 0422 696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Poscolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelando 9 Tel. 0444 393311

www.pwc.com/it

2025

Consolidated Half-Year Financial Report
at 30 June 2025

Annexes

Reconciliation between reclassified consolidated financial statements and consolidated financial statements

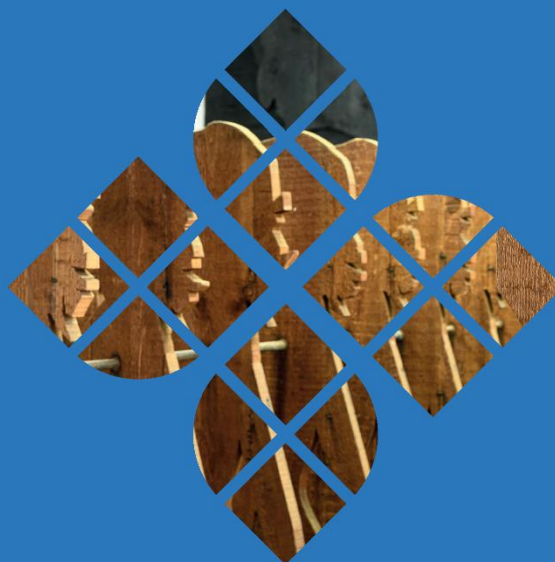
RECONCILIATION BETWEEN ASSETS ITEMS AND RECLASSIFIED ASSETS ITEMS (in thousands of Euro)		30.06.2025	31.12.2024
Cash and cash equivalents		409.630	505.016
+	10. Cash and cash equivalents	409.630	505.016
Financial assets held for trading		13.884	12.069
+	20.a Financial assets measured at fair value through profit or loss: a) financial assets held for trading	13.884	12.069
Financial assets mandatorily measured at fair value through profit or loss		253.218	237.032
+	20.c Financial assets measured at fair value through profit or loss: c) other financial assets mandatorily measured at fair value	253.218	237.032
Financial assets measured at fair value through other comprehensive income		997.992	701.830
+	30. Financial assets measured at fair value through other comprehensive income	997.992	701.830
Receivables due from banks measured at amortised cost		718.669	703.763
+	40.a Financial assets measured at amortised cost: a) receivables due from banks	718.669	703.763
Receivables due from customers measured at amortised cost		10.703.704	10.810.018
+	40.b Financial assets measured at amortised cost: b) receivables due from customers	10.703.704	10.810.018
Hedging derivatives		14.633	7.404
+	50. Hedging derivatives	14.633	7.404
Equity investments		24	24
+	70. Equity investments	24	24
Property, plant and equipment		192.496	166.665
+	90. Property, plant and equipment	192.496	166.665
Intangible assets		90.505	85.488
+	100. Intangible assets	90.505	85.488
of which: - goodwill		38.020	38.020
Tax assets		181.564	213.464
a) current		13.589	42.033
+	110.a Tax assets: a) current	13.589	42.033
b) deferred		167.975	171.431
+	110.b Tax assets: b) deferred	167.975	171.431
Non-current assets and disposal groups		4.677	-
+	120. Non-current assets and disposal groups	4.677	-
Other assets		380.401	382.965
+	130. Other assets	380.401	382.965
Total assets		13.961.397	13.825.738

RECONCILIATION BETWEEN ASSETS AND LIABILITIES ITEMS AND RECLASSIFIED ASSETS AND LIABILITIES ITEMS (in thousands of Euro)		30.06.2025	31.12.2024
Payables due to banks		2.638.963	1.443.250
+ 10.a	Financial liabilities measured at amortised cost: a) payables due to banks	2.638.963	1.443.250
Payables due to customers		6.163.470	7.001.763
+ 10.b	Financial liabilities measured at amortised cost: b) payables due from customers	6.163.470	7.001.763
Debt securities issued		2.842.999	3.152.737
+ 10.c	Financial liabilities measured at amortised cost: c) debt securities issued	2.842.999	3.152.737
Financial liabilities held for trading		14.440	13.765
+ 20.	Financial liabilities held for trading	14.440	13.765
Hedging derivatives		16.494	14.868
+ 40.	Hedging derivatives	16.494	14.868
Tax liabilities		48.906	51.924
a) current		17.408	23.345
+ 60.a	Tax liabilities: a) current	17.408	23.345
b) deferred		31.498	28.579
+ 60.b	Tax liabilities: b) deferred	31.498	28.579
Other liabilities		384.671	339.377
+ 80.	Other liabilities	384.671	339.377
Post-employment benefits		7.318	7.569
+ 90.	Post-employment benefits	7.318	7.569
Provisions for risks and charges		45.111	52.339
+ 100.a	Provisions for risks and charges: a) commitments and guarantees granted	5.780	5.559
+ 100.b	Provisions for risks and charges: b) pensions and similar obligations	268	231
+ 100.c	Provisions for risks and charges: c) other provisions for risks and charges	39.063	46.549
Valuation reserves		(21.573)	(28.144)
+ 120.	Valuation reserves	(21.573)	(28.144)
Reserves		1.584.440	1.543.729
+ 150.	Reserves	1.584.440	1.543.729
Interim dividends (-)		-	(63.084)
+ 155.	Interim dividends (-)	-	(63.084)
Share premiums		93.364	85.391
+ 160.	Share premiums	93.364	85.391
Share capital		53.811	53.811
+ 170.	Share capital	53.811	53.811
Treasury shares (-)		(13.701)	(20.971)
+ 180.	Treasury shares (-)	(13.701)	(20.971)
Equity attributable to non-controlling interests (+/-)		15.566	15.836
+ 190.	Equity attributable to non-controlling interests (+/-)	15.566	15.836
Profit (loss) for the period		87.118	161.578
+ 200.	Profit (loss) for the period (+/-)	87.118	161.578
Total liabilities and equity		13.961.397	13.825.738

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		30.06.2025	30.06.2024
Net interest income		242.510	287.363
+ 30.	Net interest income	176.483	208.318
	+ 10. Interest receivable and similar income	368.452	431.426
	+ 20. Interest due and similar expenses	(191.969)	(223.108)
+ 130.a (Partial)	Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations	66.027	79.045
Net commission income		44.354	46.909
+ 60.	Net commission income	44.354	46.909
	+ 40. Commission income	54.196	56.678
	+ 50. Commission expense	(9.842)	(9.769)
Other components of net banking income		64.096	40.242
+ 70.	Dividends and similar income	17.257	8.674
+ 80.	Net profit (loss) from trading	(437)	3.401
+ 90.	Net result from hedging	(118)	(1.317)
+ 100.a	Gains (losses) on sale/buyback of: a) financial assets measured at amortised cost	28.078	15.519
- 100.a (Partial)	Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment	6	-
+ 100.b	Gains (losses) on sale/buyback of: b) financial assets measured at fair value through other comprehensive income	1.478	1.056
+ 100.c	Gains (losses) on sale/buyback of: c) financial liabilities	(159)	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	17.991	12.822
Net banking income		350.960	374.514
+ 120.	Net banking income	284.927	295.469
+ 130.a (Partial)	Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations	66.027	79.045
- 100.a (Partial)	Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment	6	-
Net credit risk losses/reversals		(19.160)	(15.841)
+ 130.a	Net credit risk losses/reversals related to: a) financial assets measured at amortised cost	47.391	62.442
- 130.a (Partial)	Net impairments/reversals of impairments of the Npl Segment to the extent representative of business operations	(66.027)	(79.045)
+ 130.b	Net credit risk losses/reversals related to: b) financial assets measured at fair value through other comprehensive income	(298)	496
+ 100.a (Partial)	Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment	(6)	-
+ 200.a (partial)	Net allocations for credit risk related to commitments and guarantees granted	(220)	266
Net profit (loss) from financial activities		331.800	358.673
+ 150.	Net profit (loss) from financial activities	332.020	358.407
- 100.a (Partial)	Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment	6	-
+ 100.a (Partial)	Profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment	(6)	-
+ 200.a (partial)	Net allocations for credit risk related to commitments and guarantees granted	(220)	266

<< Continues on next page >>

RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT AND THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)		30.06.2025	30.06.2024
Administrative expenses		(204.344)	(210.800)
a) personnel expenses		(85.097)	(86.613)
+ 190.a	a) personnel expenses	(85.097)	(86.613)
b) other administrative expenses		(119.247)	(124.187)
+ 190.b	b) other administrative expenses	(128.829)	(132.603)
- 190.b (partial)	b) other administrative expenses: non-recurring charges	9.561	320
- 190.b (partial)	b) other administrative expenses: contributions to resolution and deposit protection funds	21	8.096
Net impairment losses/reversals on property, plant and equipment and intangible assets		(13.628)	(10.820)
+ 210.	Net impairment losses/reversals on property, plant and equipment	(6.679)	(5.790)
+ 220.	Net impairment losses/reversals on intangible assets	(6.949)	(5.030)
Other operating income/expenses		16.994	15.524
+ 230.	Other operating income/expenses	16.994	15.524
Operating costs		(200.978)	(206.096)
+ 240.	Operating costs	(205.245)	(214.952)
- 190.b (partial)	b) other administrative expenses: non-recurring charges	9.561	320
- 190.b (partial)	b) other administrative expenses: contributions to resolution and deposit protection funds	21	8.096
- 200.	Net allocations to provisions for risks and charges	(5.315)	440
Charges related to the banking system		(21)	(8.096)
+ 190.b (partial)	b) other administrative expenses: contributions to resolution and deposit protection funds	(21)	(8.096)
Net allocations to provisions for risks and charges		5.535	(706)
+ 200.a	Net allocations to provisions for risks and charges: a) commitments and guarantees granted	(220)	266
- 200.a (partial)	Net allocations for credit risk related to commitments and guarantees granted	220	(266)
+ 200.b	Net allocations to provisions for risks and charges: b) other net allocations	5.535	(706)
Non-recurring expenses and income		(9.561)	(320)
+ 190.b (partial)	b) other administrative expenses: non-recurring charges	(9.561)	(320)
Pre-tax profit (loss) for the period from continuing operations		126.775	143.455
+ 290.	Pre-tax profit (loss) for the period from continuing operations	126.775	143.455
Income taxes for the period relating to continuing operations		(38.882)	(48.990)
+ 300.	Income taxes for the period relating to continuing operations	(38.882)	(48.990)
Profit (loss) for the period		87.893	94.465
+ 330.	Profit (loss) for the period	87.893	94.465
	+ 310. Profit (loss) from continuing operations, net of taxes	87.893	94.465
(Profit) loss for the period attributable to non-controlling interests		(775)	(851)
+ 340.	Profit (loss) for the period attributable to non-controlling interests	(775)	(851)
Profit (loss) for the period attributable to the Parent company		87.118	93.614
+ 350.	Profit (loss) for the period attributable to the Parent company	87.118	93.614



bancaifis.it