



Banca Ifis



2021 Preliminary results

10 February 2022

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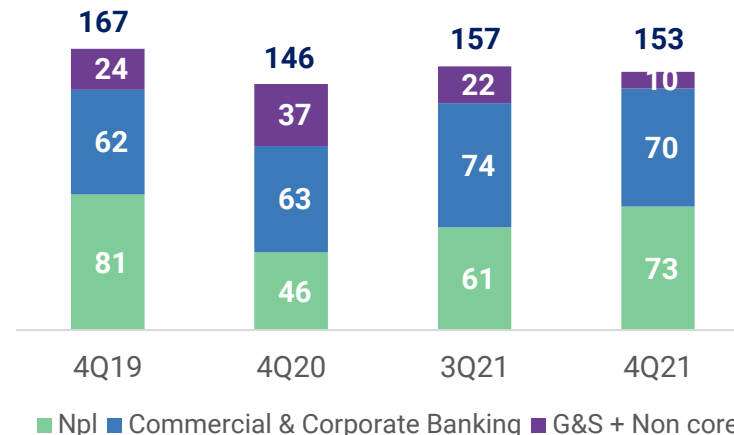
2021 and 4Q 21 results

Key deliveries in 2021

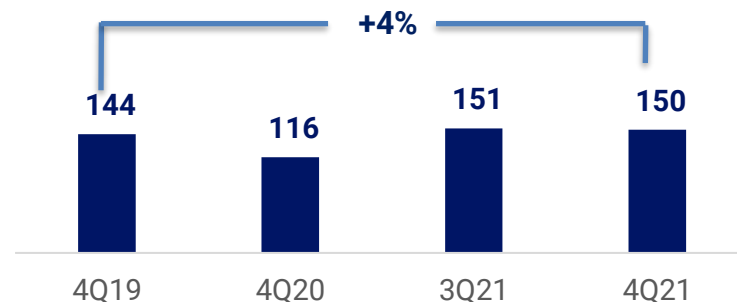
- 1 **Net income of €101mln, above our guidance of €90-100mn.** “Core net income” excluding PPA and real estate capital gains is up +10% vs. 2019 and ca. 6 times vs. 2020
- 2 **Net revenues of €603mln at record high** (+29% YoY, €468mln in 2020)
- 3 **Net revenues in Commercial and Corporate Banking** at €283mln (+16% vs. 2019 and +27% vs. 2020)
- 4 **NPL cash collection of €345mln at record high** (+33% YoY, €259mln in 2020)
- 5 **NPL purchases of €3.7bn in terms of GBV at record high** (€2.7bn in 2020)
- 6 **CET 1 of 15.4% supporting the growth strategy and the dividend policy of the Bank.** The transfer of La Scogliera to Canton Vaud* (CH) is completed. Negative capital effect of consolidation of La Scogliera is “eliminated” as per commitment taken in 2019 by the controlling shareholder
- 7 **€0.95 dividend per share** (vs. €0.47 of 2021) to be paid in May 2022
- 8 **Moody’s assigned Banca Ifis an issue rating of Baa3 (investment grade) with stable outlook**

- **4Q21 net revenues of €153mln**, with strong performance by both NPL (€73mln) and Commercial Banking (€70mln)
- **4Q21 net revenues excluding PPA of €150mln** (-1% QoQ and +29% YoY) confirming the Bank's ability to replace PPA with core revenues
- **3Q21 G&S includes €10mln benefit from TLTRO** (0.5% due to the achievement of lending thresholds related to "special reference period" of March 2020 - March 2021)

Net revenues (including PPA) breakdown €mln



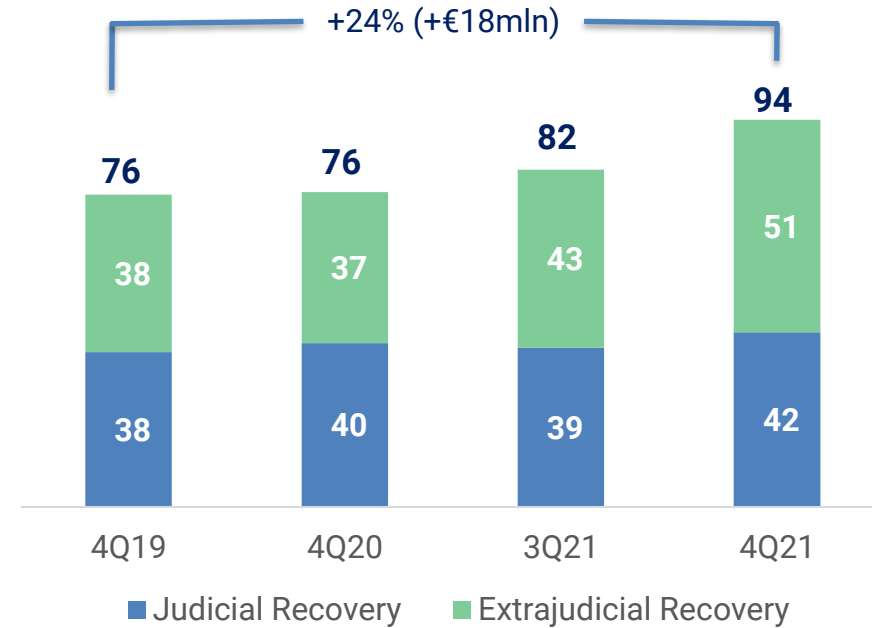
Net revenues excluding PPA €mln



NPL collection at record high

- Npl cash collection at €94m in 4Q21 and €345m in 2021, both at record high
- In 2021, Banca Ifis acquired €3.7bn NPLs (GBV) confirming its market leadership in small ticket unsecured NPLs, with a market share of 46% (34% in 2020)
- 2021 review of the potential long-term impact of Covid-19, led to provisions of €18m (€9m in 2Q21, €8m in 3Q21 and €1m in 4Q21)
- Ifis Npl Servicing team is rated "1-" by Fitch
- In 4Q21, Banca Ifis executed sales of €0.6bn NPL portfolios (GBV) that were already worked out and not strategic for Banca Ifis. The disposal generated a capital gain

Npl cash collection - €m



Asset quality (€ mln)

Consolidated ratios	2Q21	3Q21	4Q21
Gross Npe*	6.4%	6.5%	6.4%
Net Npe*	3.2%	3.4%	3.9%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	116	74%	30
UTPs	161	44%	91
Past dues	120	5%	113
Total Npes	396	41%	234

Non Core & G&S**	Gross	Coverage %	Net
Bad loans	20	35%	13
UTPs	51	42%	29
Past dues	9	26%	6
Total Npes	80	39%	49

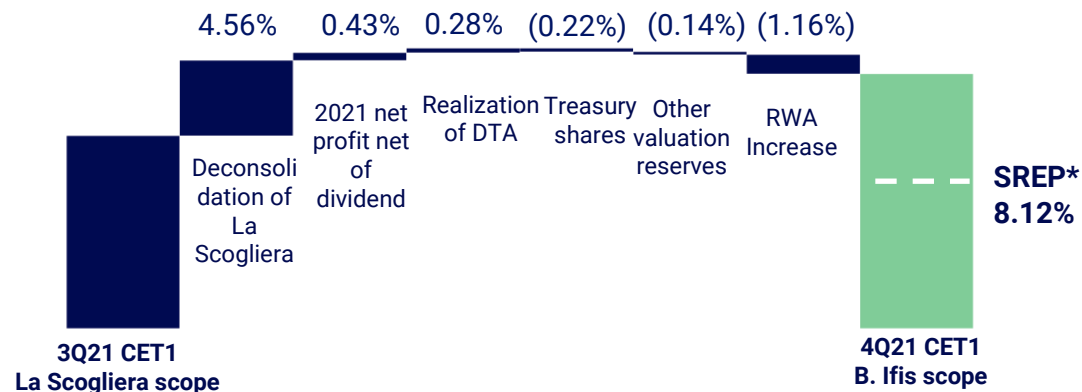
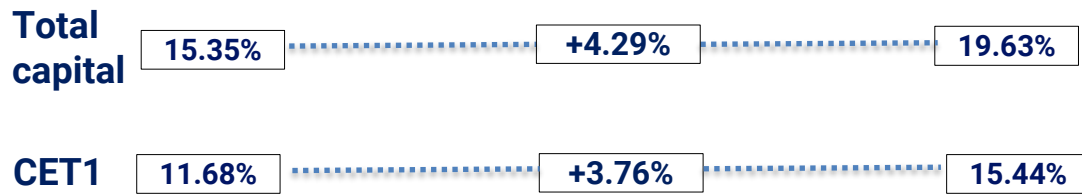
- Asset quality ratios in 4Q21:
 - Gross Npe Ratio*: 6.4% (6.5% in 3Q21)
 - Net Npe Ratio*: 3.9% (3.4% in 3Q21)
- Gross and Net Npe in Commercial & Corporate Banking came in at €396mln (376mln in 3Q21) and €234mln (€178mln in 3Q21), respectively
- Past due increases by €64mln QoQ due to the application of the new definition of default for loans vs. NHS, which do not represent a significant asset quality risk
- In 4Q21 loan loss provisions at €15mln, including additional €1mln extra Covid-19 provisions in our NPL portfolio and €7mln for specific older positions
- Npl Business not included in this analysis. Npe ratios calculated excluding Npl Segment and Italian Government Bonds at amortized costs included in customer loans

*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.6bn Government bonds at amortized costs in G&S.

Gross Npes in Commercial and Corporate Banking include ~€85mln factoring past due mainly loans to the NHS (€64mln) which do not represent a significant asset quality risk

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

Capital ratios evolution



RWA
€mln

3Q21	8,969
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4Q21	9,633
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- CET1 at 15.44% (+3.76% vs. 3Q21)
- +4.56% due to regulatory deconsolidation of La Scogliera (following the transfer to Canton Vaud concluded with the completion of the last administrative act on 28 Jan 22, and with effectiveness as of 27 Dec 21)
- +0.43% due to 2021 net income (net of proposed dividends)
- -1.16% due to growth of RWA (of which ca. 1/3 “peak” end of year factoring exposure growth)
- -0.22% due to purchase of treasury shares supporting Long Term Incentive Programme
- Total Capital increased by +4.29% vs. 3Q 21 of which +5.42% due to regulatory deconsolidation of La Scogliera

* At group level capital requirements are: CET1 8.12%, Total Capital 12.5%

Quarterly and annual results

(€ mln)	3Q21	4Q21	FY 20	FY21
Net interest income	129.6	125.4	381.7	488.0
Net commission income	22.0	20.4	74.9	83.3
Trading and other revenues	5.0	7.5	11.2	31.3
Net revenues	156.6	153.3	467.8	602.5
Loan loss provisions (LLP)	(19.8)	(14.7)	(91.4)	(77.2)
Net revenues – LLP	136.8	138.6	376.4	525.4
Personnel expenses	(36.0)	(38.1)	(123.4)	(141.8)
Other administrative expenses	(50.2)	(70.2)	(190.8)	(231.8)
Other net income/expenses	(3.2)	0.3	6.2	(1.9)
Operating costs	(89.4)	(107.9)	(308.0)	(375.5)
Goodwill impairment	-	-	(0.7)	-
Gains (Losses) on disposal of investments	-	-	24.2	-
Pre tax profit	47.4	30.7	91.9	149.9
Taxes	(15.0)	(9.9)	(22.7)	(47.6)
Net income - attributable to the Parent company	31.9	20.4	68.8	100.6
Customer loans	9,751	10,332	9,135	10,332
- of which Npl Business	1,376	1,524	1,406	1,524
Total assets	12,769	12,978	12,026	12,978
Total funding	10,535	10,787	9,908	10,787
- of which customer deposits	5,730	5,684	5,472	5,684
- of which TLTRO	2,036	2,034	1,995	2,034
Shareholders Equity	1,606	1,624	1,550	1,624

- 1 Net revenues benefit from the progressive improvement in in judicial and extrajudicial NPL recovery and in Commercial and Corporate Banking activity

3Q21 net revenues include €10mln benefit from TLTRO (0.5% due to the achievement of lending thresholds), related to “special reference period” of March 2020 - March 2021

- 2 €1mln provisions for concluded review of Covid-19 long-term impact on our NPL portfolio and €7mln for certain older positions
- 3 €11.5mln one-off legal and advisory costs for the transfer of La Scogliera to Canton Vaud (CH) and +€5mln Npl recovery costs due to seasonality

- 4 Capital gain due to the disposal of real estate in Milan

4Q21 Results: P&L break-down by business unit

Data in € mln	Commercial & Corporate banking						Consolidated
	Npl	Factoring	Leasing	Corp. Banking & Lending	Tot. Commercial & Corporate banking	Non core & G&S	
Net interest income	67	22	11	15	47	11	125
Net commission income	2	14	2	3	19	(0)	20
Trading & other revenues	5	(0)	0	4	4	(1)	8
Net revenues	73	36	12	22	70	10	153
-Of which PPA	0	0	0	0	0	3	4
Loan loss provisions	① (1)	② (8)	(2)	(3)	(13)	(1)	(15)
Operating costs	(46)	(27)	(6)	(9)	(42)	③ (21)	(108)
Net income	18	1	3	7	11	(8)	21
Net income attributable to non-controlling interests							0.4
Net income attributable to the Parent company							20
Net income (%)	87%	5%	14%	32%	52%	(39)%	100%
Customer Loans	1,524	2,940	1,390	2,197	6,527	④ 2,281	10,332
RWA¹	2,339	2,501	1,266	1,448	5,215	1,084	8,638
Allocated capital²	361	386	195	224	805	167	1,333

- ① €1mln provisions due to ongoing review of Covid-19 long-term impact on our NPL portfolio
- ② Includes €7mln additional for some high vintage positions
- ③ €11.5mln one-off legal and advisory costs for the transfer of La Scogliera to Canton Vaud (CH)
- ④ Breakdown of customer loans in Non Core & G&S
 - G&S: includes €1.6bn of Italian Government bonds at amortized costs
 - Non Core: includes €0.1bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.04bn of Npl (former Interbanca + Banca Ifis)

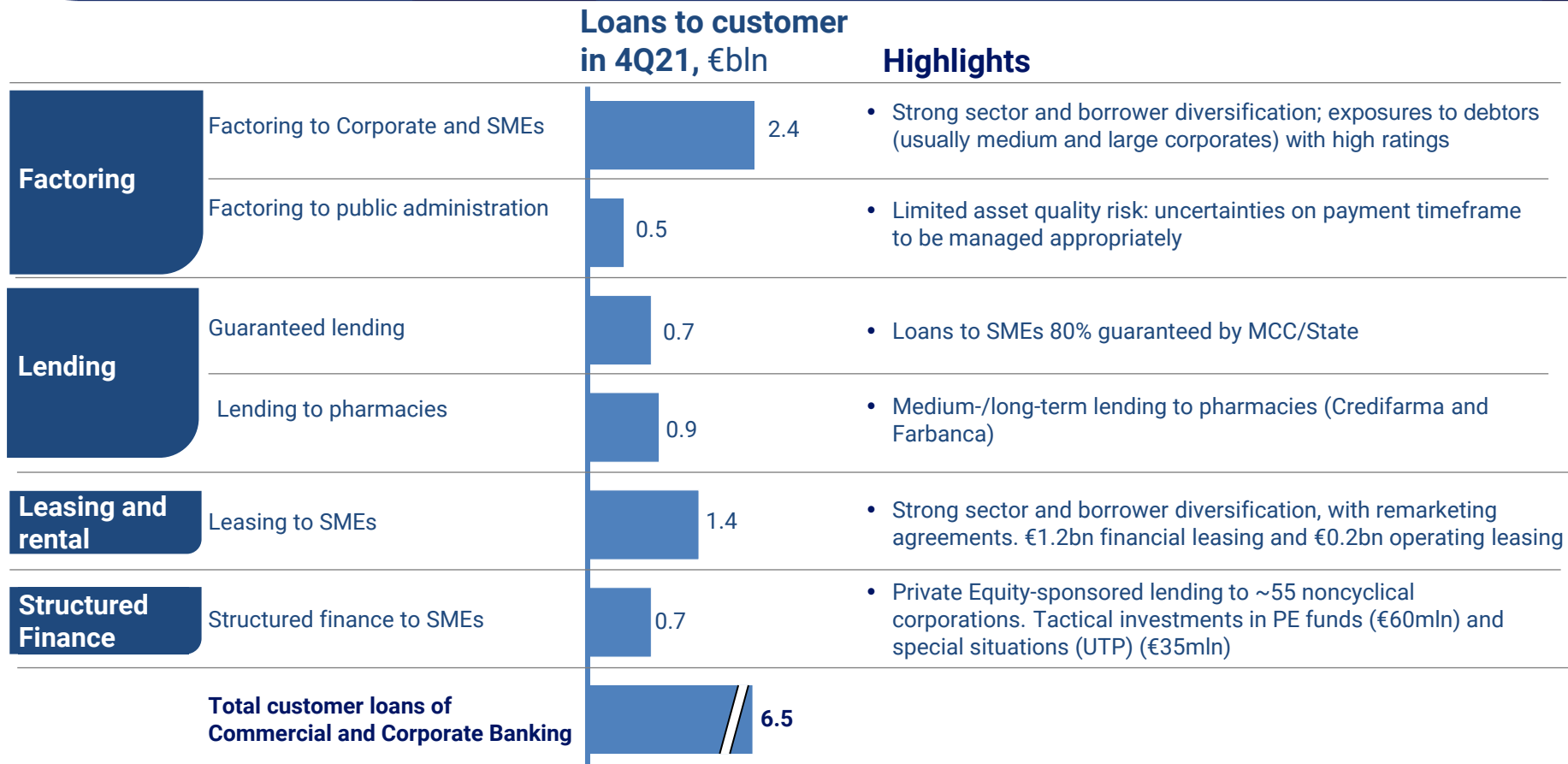
(1) RWA Credit and counterparty risk only. It excludes RWA from operating, market risks and CVA (€1bn);
 (2) RWA (Credit and counterparty risk only) x CET1 4Q21.

Appendices

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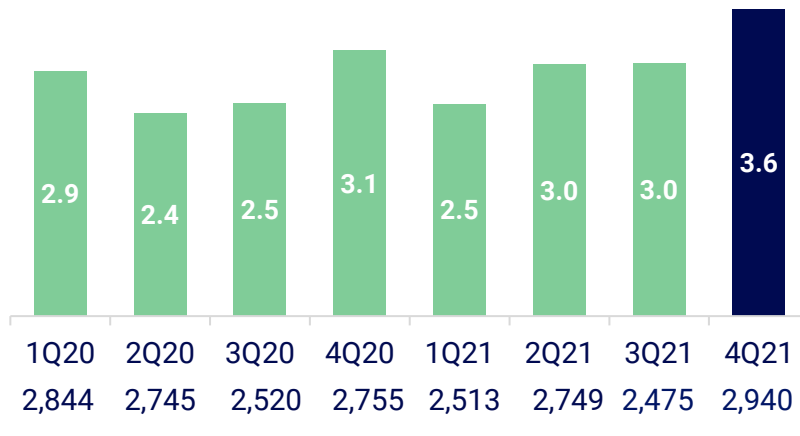
2.1 Segment results

Commercial & Corporate Banking loans*



*Source: management accounting data

Turnover - €bn



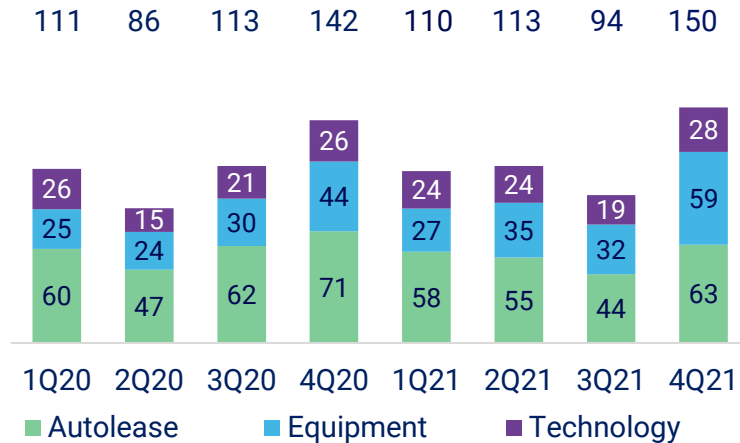
- Factoring net loans +19% QoQ due to seasonality
 - Factoring loans of €2.9bn included €0.5bn exposure to the Public Administration
- 1 Net revenues / average customer loans at 5.3% due to more prudent assumptions in pharma and tax credit to reflect long timeframe of collection
 - 2 In 1Q21, loan loss provisions include a one-off write back due to the update of credit model

Net customer loans - €mln

Data in €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Net revenues	36	33	34	40	34	35	40	36
Net revenues / average customer loans	4.9%	4.6%	4.8%	5.7%	5.2%	5.4%	6.0%	5.3% 1
Loan loss provisions	(5)	(1)	(2)	(23)	4 2	(10)	(4)	(8)

*Starting from January 2021, Credifarma has been reclassified from Factoring into Corporate Banking and Lending. All 2020 information provided consider this re-allocation.

New business - €mln



- New leasing +6% YoY and +59% QoQ due to seasonality
- In 4Q21, customer loans came in at €1,390mln (in line QoQ)
- Net revenues / average customer loans at 3.6% mainly due to one-offs
- Asset quality risk is mitigated by strong sector and borrower diversification and by the remarketing agreements for repossessed assets
- Banca Ifis is carefully monitoring the loans that terminated moratoria on 31 Dec 2021 (~€129mln, mainly car leasing)

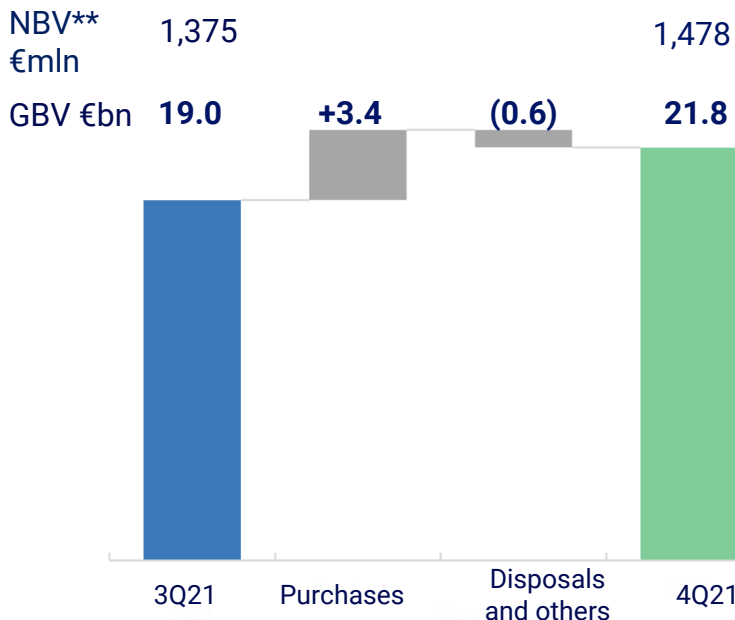
Net customer loans - €mln

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
1,404	1,397	1,394	1,414	1,406	1,411	1,381	1,390

Data in €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Net revenues	12	13	12	13	14	15	15	12
Net revenues / average customer loans	3.3%	3.7%	3.3%	3.6%	3.9%	4.3%	4.1%	3.6%
Loan loss provisions	(4)	(4)	(7)	0	(4)	(1)	(1)	(2)

Npl Business*: portfolio evolution

Npl portfolio evolution



Key numbers*

- 2.1mln tickets, #1.5mln borrowers
- Extensive portfolio diversification by location, type and age of borrower

Npls acquired in 4Q: €3.4bn GBV

- In 4Q21, Banca Ifis purchased €3.4bn NPL (GBV) driven by the purchase of €2.8bn (GBV, ca. 300k unsecured small tickets) from Cerberus
- In 2021, **Banca Ifis** was market leader in small ticket unsecured NPLs with a **market share of 46%** (34% in 2020)

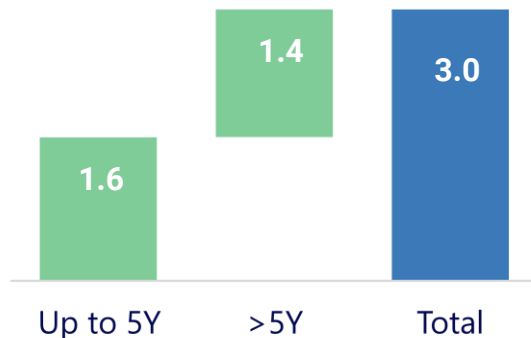
Npls disposed and others in 4Q

- In 4Q21: disposals of NPL portfolios that were already worked out and not strategic for Banca Ifis. The disposal generated a capital gain

*Source: management accounting data

**Does not include customer loans (invoices to be issued) related to Ifis Npl Servicing third parties servicing activities

ERC: €3.0bn



ERC breakdown

Data in €mln	GBV	NBV	ERC
Waiting for workout - At cost	3.4	0.1	0.3
Extrajudicial positions	10.8	0.4	0.7
Judicial positions	7.6	0.9	2.0
Total	21.8	1.5	3.0

ERC assumptions

- ERC based on proprietary statistical models built using internal historical data series and homogeneous clusters of borrowers
 - Type of borrower, location, age, amount due, employment status
 - Time frame of recovery
 - Probability of decay
- ERC represents Banca Ifis's expectation in terms of gross cash recovery. Internal and external costs of positions in non-judicial payment plans (GBV of €0.5bn in 4Q21), court injunctions ["precetto"] issued and order of assignments (GBV of €1.5bn in 4Q21) have already been expensed in P&L
- **€1.7bn cash recovery (including proceeds from disposals) was generated in the years 2014 – 4Q2021**

Npl Business*: GBV and cash recovery

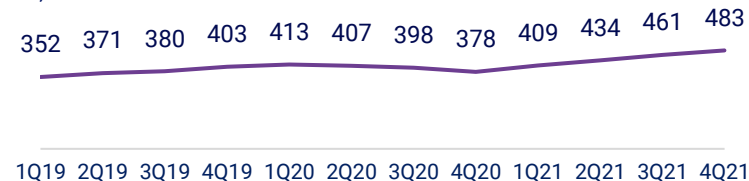
Judicial recovery

Judicial recovery (€ mln)	GBV	%
Frozen**	2,010	26%
Court injunctions ["precetto"] and foreclosures	771	10%
Order of assignments	757	10%
Secured and Corporate	4,080	54%
Total	7,618	100%

To be processed

Non judicial recovery – Voluntary plans

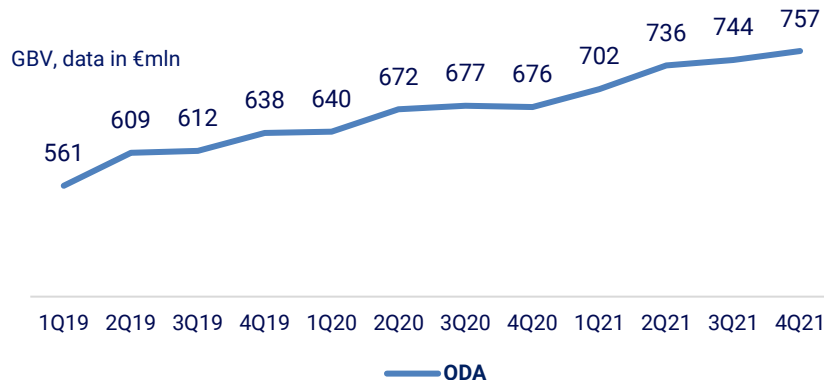
GBV, data in €mln



Non-judicial payment plans

Judicial recovery – Order of Assignments

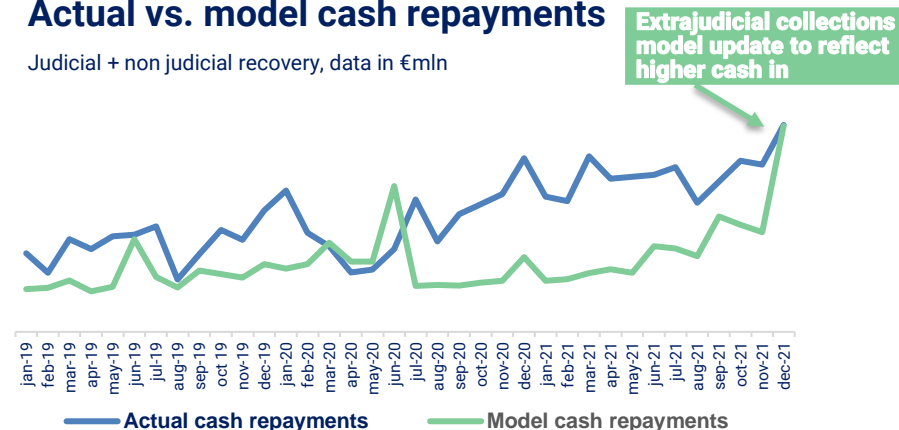
GBV, data in €mln



ODA

Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



Actual cash repayments

Model cash repayments

*Source: management accounting data

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

Npl Business*: cash recovery and P&L contribution

Cash collection

- 1 NPL cash collection at record high at €94mln. Portfolio proved to be resilient to Covid-19 crisis

P&L Contribution

- 2 4Q 21 P&L contribution benefits from increasing productivity in servicing

Data in € mln (excluding disposals)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	2018 YE	2019 YE	2020 YE	2021 YE
Cash collection	57	67	59	76	65	52	66	76	81	89	82	1 94	181	258	259	345
Contribution to P&L**	66	60	44	78	50	34	48	50	64	70	66	2 74	238	248	182	273
Cash collection / contribution to P&L	87%	112%	132%	97%	132%	153%	137%	152%	127%	128%	124%	127%	76%	104%	143%	127%

*Source: management accounting data

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

Npl Business*: stock by recovery phase

Cluster	GBV 4Q21 €mln	% total	Description	Average time frame**	Accounting valuation	Cash proceeds
Waiting for workout - Positions at cost	3,409	16%	Recently acquired, under analysis to select the best recovery strategy, to be assigned either to extrajudicial or to judicial recovery	6 months	Acquisition cost	
Extrajudicial positions	10,804	49%				
-Ongoing attempt at recovery	10,321	47%	Managed by internal and external call centres and recovery networks. The purpose is the transformation into voluntary payment plans (or into judicial recovery if conditions arises)	NA	Statistical model (collective valuation)	No
- Non-judicial payment plans	483	2%	Sustainable cash yields agreed with debtors through call centres and collection agents	5 years	Increase in value (P&L), with valuation based on agreed plan, net of historical delinquency rate, discounted at the IRR used for acquisition	Yes
Judicial positions	7,618	35%				
- Frozen***	2,010	9%	Judicial process has started; but the court injunction ["prechetto"] has not been issued	6-12 months	Acquisition cost	No
- Court injunctions ["prechetto"] issued and foreclosures ("pignoramento")	771	4%	Court injunction ["prechetto"] already issued; legal actions continue to get the order of assignment	8-12 months	#1 increase in value at court injunction ["prechetto"] and #2 increase in value at foreclosure ["Pignoramento"]. Part of the legal costs are expensed in P&L	No
- Order of assignments	757	3%	Enforcement order already issued. The cash repayment plan is decided by the court and starts afterwards	2-4 months	#3 increase in value. The remaining legal costs are expensed in P&L	Yes
- Secured and Corporate	4,080	19%	Ongoing execution of real estate collaterals	4 years	Analytical valuation (expected time frame and amount to be recovered)	Yes
Total	21,831	100%				

*Source: management accounting data

** Data before Covid-19.

***Other Judicial positions

Npl Business*: GBV and NBV evolution



GBV - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Waiting for workout - Positions at cost	2,864	1,598	1,783	1,794	1,440	1,709	1,885	2,140	1,147	107	203	3,409
Extrajudicial positions	9,745	9,862	9,574	10,378	10,619	10,257	10,579	10,273	10,987	11,280	11,657	10,804
- Ongoing attempt at recovery	9,393	9,491	9,194	9,975	10,206	9,850	10,182	9,896	10,578	10,846	11,196	10,321
- Non-judicial payment plans	352	371	380	403	413	407	398	378	409	434	461	483
Judicial positions	4,015	4,913	5,226	5,669	5,720	6,278	6,428	7,374	7,546	7,896	7,183	7,618
- Freezed**	1,822	1,931	2,192	2,521	2,533	2,627	2,518	3,299	3,243	3,644	2,883	2,010
- Court injunctions ["precetto"] issued and foreclosures	464	487	511	543	571	595	642	713	686	700	727	771
- Order of assignments	561	609	612	639	640	672	677	676	702	736	744	757
- Secured and Corporate	1,167	1,886	1,911	1,965	1,975	2,384	2,590	2,686	2,915	2,816	2,830	4,080
Total	16,624	16,373	16,583	17,841	17,779	18,244	18,893	19,787	19,680	19,282	19,043	21,831

NBV - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Waiting for workout - Positions at cost	174	148	160	109	65	96	104	170	112	15	31	136
Extrajudicial positions	306	313	308	356	364	355	353	339	368	393	413	425
- Ongoing attempt at recovery	162	164	154	190	193	184	185	174	188	198	200	202
- Non-judicial payment plans	144	149	154	166	171	171	169	165	180	195	213	223
Judicial positions	643	711	720	813	840	854	867	894	916	961	930	917
- Freezed**	205	207	215	274	298	304	292	296	300	330	295	271
- Court injunctions ["precetto"] issued and foreclosures	118	118	118	128	120	132	148	160	162	161	166	172
- Order of assignments	227	244	245	259	270	265	264	280	292	305	306	310
- Secured and Corporate	94	142	142	152	152	153	162	158	162	165	163	164
Total	1,123	1,172	1,188	1,278	1,269	1,305	1,324	1,404	1,396	1,369	1,375	1,478

- 1 The decrease in GBV of waiting for workout/positions at costs is due the beginning of the workout of a few large portfolios acquired in 2020
- 2 Acquisition of €3.4bn GVB in 4Q21

*Source: management accounting data

**Other Judicial positions

***Does not include customer loans (Invoices to be issued) related to Ifis Npl Servicing third parties servicing activities

Npl Business*: P&L and cash evolution

P&L - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Waiting for workout - Positions at cost												
Extrajudicial positions	19	19	19	20	17	10	11	7	22	29	30	38
- Ongoing attempt at recovery	(3)	(2)	(1)	4	(4)	(3)	(5)	(5)	(2)	6	(2)	6
- Non-judicial payment plans	22	21	20	17	21	13	15	12	24	23	32	33
Judicial positions	46	42	26	58	33	24	37	43	42	41	36	35
- Frozen**	0	0	0	0	0	0	0	0	0	0	0	0
- Court injunctions and foreclosures + Order of assignments	37	28	18	40	26	24	32	43	36	34	30	32
- Secured and Corporate	9	14	7	18	6	0	6	0	5	7	5	3
Total	66	60	44	78	50	34	48	50	64	70	66	74

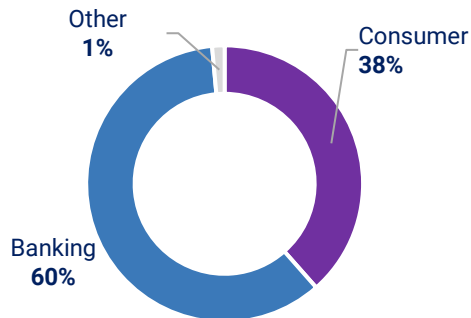
Cash - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Waiting for workout - Positions at cost												
Extrajudicial positions	27	32	27	38	30	23	33	37	42	47	43	51
- Ongoing attempt at recovery	4	6	4	10	4	3	4	6	6	9	5	6
- Non-judicial payment plans	23	26	23	28	26	20	29	31	36	39	38	46
Judicial positions	30	35	32	38	35	29	33	40	39	42	39	42
- Frozen**	0	0	0	0	0	0	0	0	0	0	0	0
- Court injunctions and foreclosures + Order of assignments	24	25	25	27	29	23	26	29	30	30	31	32
- Secured and Corporate	6	11	7	11	7	5	7	11	9	12	7	11
Total	57	67	59	76	65	52	66	76	81	89	82	94

*Source: management accounting data

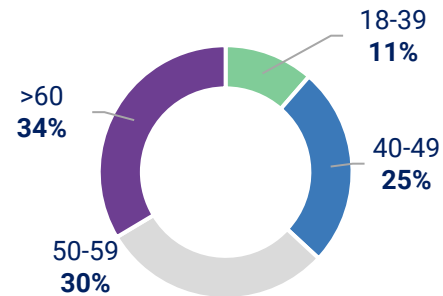
**Other Judicial positions

Npl Business*: portfolio diversification

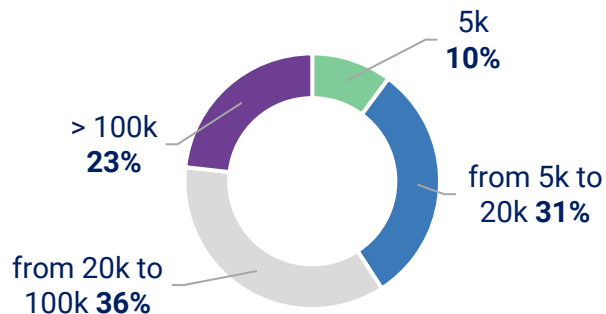
Breakdown of GBV by type



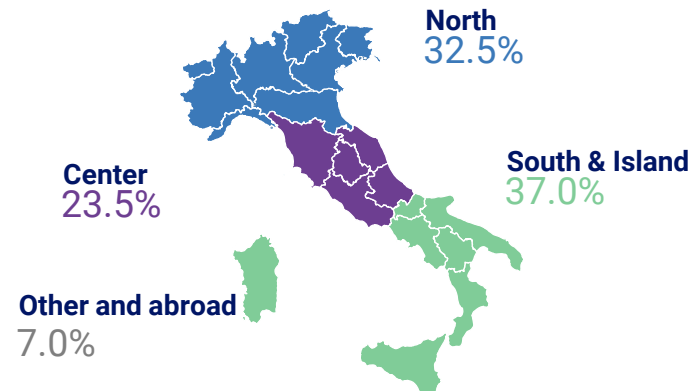
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



Breakdown of GBV by region

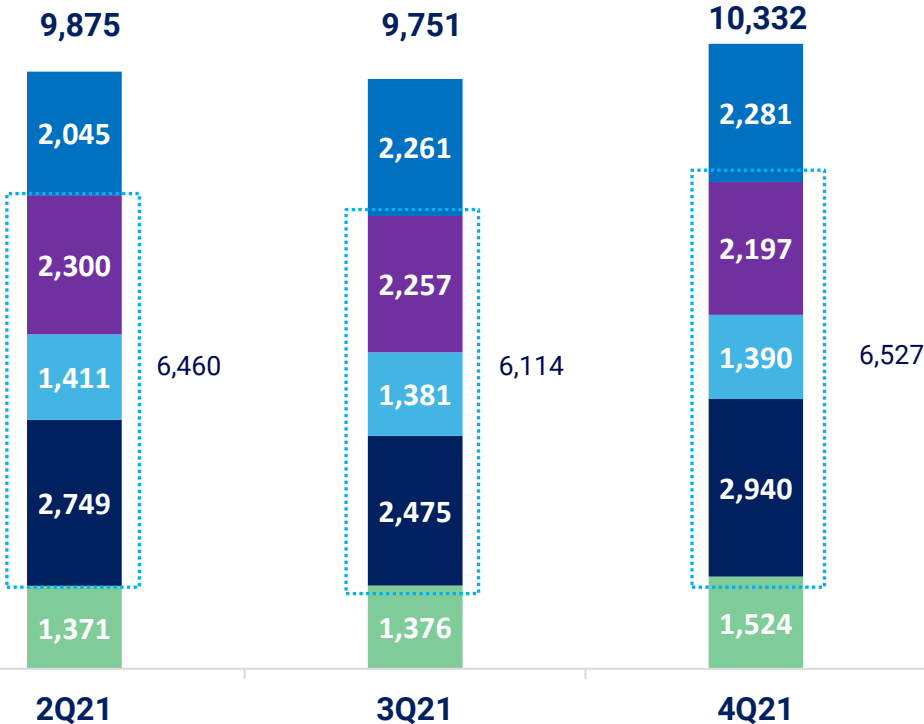


*Source: management accounting data and risk management data (i.e. data refer only to property portfolio)

2.2 Consolidated financial data

Customer loans*

Customer loans (€ mln)

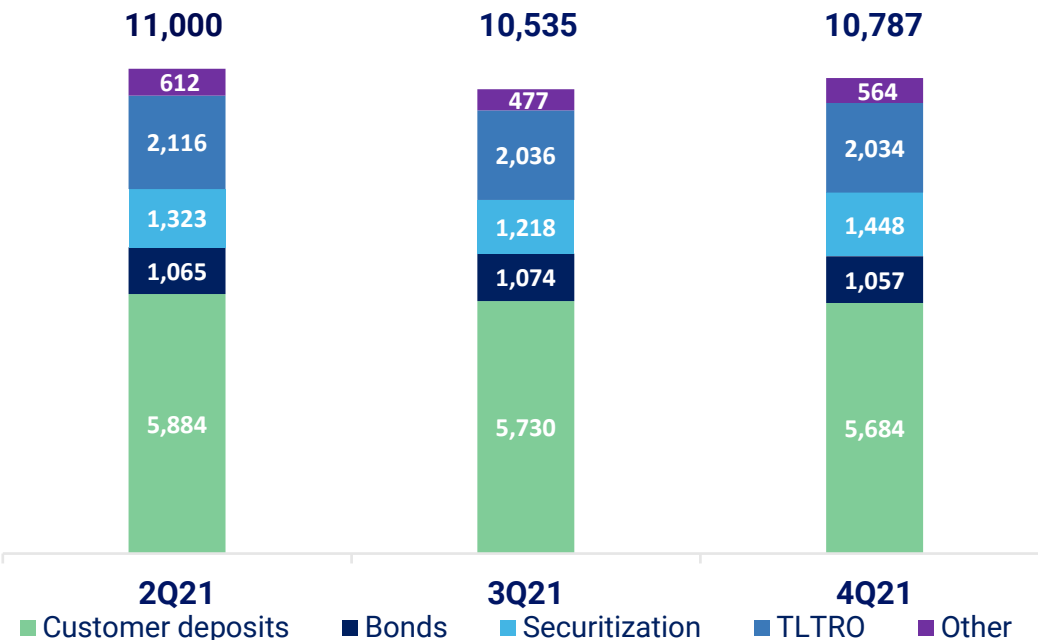


- 4Q21 customer loans at €10,332 (+6% vs 3Q21)
- Factoring increase (+19% QoQ) is driven by seasonality and economic recovery
- Npl increase (+11% QoQ) is driven by the purchase of NPLs
- G&S includes €1.6bn of Italian government bonds and €0.3bn of financial bonds held to maturity

■ Npl ■ Factoring ■ Leasing ■ Corp. Banking & Lending ■ Non Core & G&S
 □ Commercial and Corporate banking

*Starting from January 2021, Credifarma has been reclassified from Factoring into Corporate Banking and Lending. All 2020 information provided consider this re-allocation.

Funding (€mln)



- Customer deposits -0.8% QoQ
- Securitizations include €1,058mln of the factoring securitization and €390mln coming from restructuring of the Farbanca securitization
- Banca Ifis has €2.0bn TLTRO expiring in September 2024 out of a maximum capacity of ca. €2.9bn
- Average cost of funding at 0.84% in 4Q21 vs 0.84% in 3Q21, vs 0.96% in 2Q21, vs 1.02% in 1Q21 and 1.01% in 4Q20
- **Moody's assigned Banca Ifis an issue rating of Baa3 (investment grade) with stable outlook**

	2021	3Q21	4Q21
LCR	>1,700%	>1,500%	>900%
NSFR	>100%	>100%	>100%

Strategy

- Long term «fundamental» positioning strongly focused on investment grade bond area coupled with opportunistic trading approach
- Efficient management of excess cash (ECB deposits) / Low Duration level
- Use of enhancing and hedging strategies coupled with both risk and expected credit loss control
- Low cumulative RWA level and relevant ECB / funding eligibility
- Stable and cross-year recurrent sources of revenues in a low risk investment framework

2021 (4Q21) results

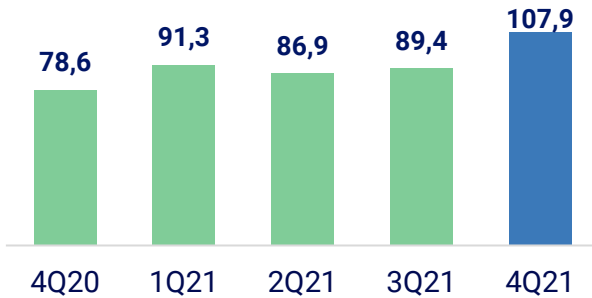
- In 2021 (4Q21), the proprietary portfolio reported a net revenues of €30.3mln (€6.5mln) of which ~ €18.7mln (€5.8mln) as interest rate margin and €11.6mln (€0.7mln) as trading and other income (+€15.4mln increase vs. 2020)
- Dividend flow related to proprietary equity portfolio weighs for ~ €7.1mln booked in trading and other income

Banca I fis adopted the mechanism offsetting unrealized gains/losses measured through the FVOCI method on government assets

Type of asset - Data in €mln as at end of quarter	Bonds			Equity	Securitization	Total
	Government	Financial	Corporate			
Held to collect/amortized cost	1664	188	82		151	2085
Held to collect and sell (FVOCI)	470	20	25	90		605
Total (HTC and HTC&S)	2134	208	107	90	151	2690
Held for trading/Funds/Securitization						4
Total portfolio at market value	2134	208	107	90	151	2694
Percentage of total	79,2%	7,7%	4,0%	3,3%	5,6%	100,0%
Held to collect/amortized cost Duration	2,2	3,6	3,9	NA	2	2,4
Held to collect and sell (FVOCI) Duration	2,7	3,1	4,3	NA	-	2,8
Average duration (HTC and HTC&S) - YEARS	2,3	3,5	4	NA	2	2,5

Consolidated operating costs

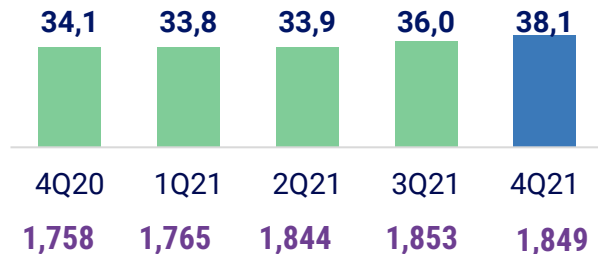
Operating costs (€mln)



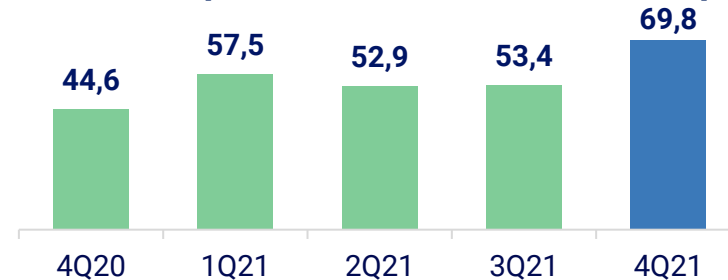
4Q21 operating costs ~+€18.5mln vs. 3Q21:

- +€2.1mln QoQ in personnel expenses, mainly due to bonus accruals to personnel
- +€16.4mln QoQ in other operating costs, mainly due to:
 - €11.5mln one-off legal and advisory costs for the transfer of La Scogliera to Canton Vaud (CH)
 - €4.8mln NPL recovery costs due to seasonality

Personnel expenses (€mln)



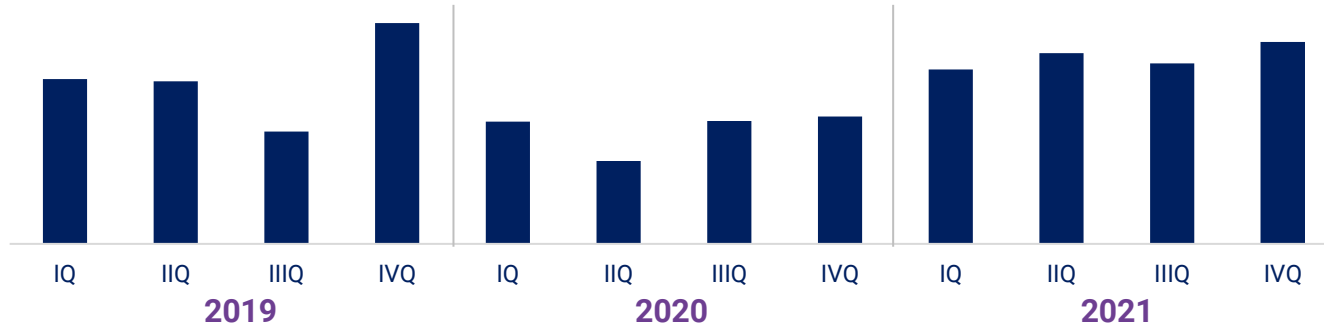
Other adm. expenses and other income / expenses (€mln)



Banca Ifis
employees

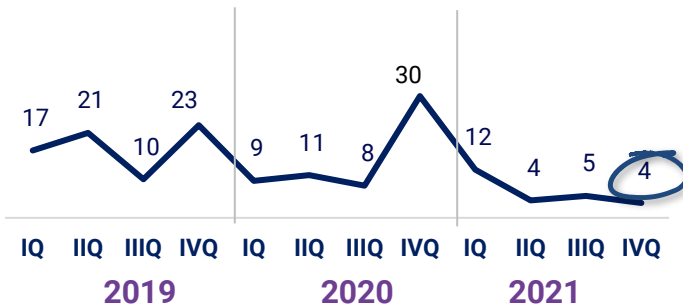
Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls



2020 was impacted by court shutdown

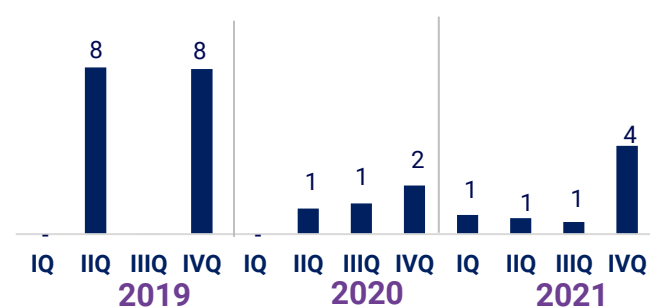
Reversal of PPA ex-IB (pre-tax)



4Q21 pre tax reversal PPA at €4mln

Variability due to reversal of PPA depending on the prepayment / disposal of ex-Interbanca's loans

Capital gains from Npl disposal



2.3 Focus on DTA

Focus on DTA regulatory implications

Convertible DTAs

- DTAs related to write downs of loans convertible into tax credits (under Law 214/2011)
- Their recovery is certain regardless of the presence of future taxable income and is defined by fiscal law (range ca. 5%-12% per annum, with full release by 2026)
- No time and amount limit in the utilization of converted DTAs
- Capital requirements: 100% weight on RWA

Data in €/mln

205.4

DTAs due to tax losses (non - convertible)

- DTAs on losses carried forward (non-convertible) and DTAs on ACE (Allowance for Corporate Equity) deductions can be recovered in subsequent years only if there is positive taxable income
- No time limit to the use of fiscal losses against taxable income of subsequent years
- Capital requirements: 100% deduction from CET1

25.3

Other non-convertible DTAs

- DTAs generated due to negative valuation reserves and provisions for risks and charges (~€39.4*mln as of 31 Dec 2021)
- Capital requirements: deduction from CET1 or weighted in RWA depending on certain thresholds**. For Banca Ifis they would be weighted at 250% but they are partially offset by DTL (~€23.9mln as of 31 Dec 2021)

15.5

*Includes prudentially €5.3mln of DTAs related to Ifis Rental and Ifis Real Estate not included in the Banking Group as not a regulated entity

** As stated by CRR (article 48), these kind of DTAs are subjected to a double threshold mechanism: if their amount is less than 10% of the CET1 Capital, they are weighted at 250%; if their amount added to the total³¹ investments in financial sector subjects is less than 17.65% they are weighted. If the amount of DTAs is greater than or the first or the second threshold, the amount in excess is deducted from CET1 Capital.

2.4 Focus on PPA

Focus on ex-Interbanca PPA

- In 2016, following the acquisition of former Interbanca, Banca Ifis valued the performing and non performing loans of Interbanca by applying a market discount and a liquidity discount to reflect purchase price
- The purchase price allocation (PPA) is written back with the progressive maturity/the disposal of Interbanca's loans

As at 31 Dec 21, the residual amount of pre-tax PPA was €33m

Net customer loans and PPA - €m



PPA reversal in P&L- €m

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
9	11	8	30*	12	4	5	4
FY 20: €57m. o/w: -€2m In Corp. Banking & Lending -€56m Non Core & G&S				FY 21: €25m. o/w: -€3m In Corp. Banking & Lending -€22m Non Core & G&S			

Outstanding 4Q 21
33
4Q 21 Outstanding, o/w: -€1m In Corp. Banking & Lending -€33m Non Core & G&S

*In 4Q 20, the write back of PPA was mainly driven by loans and Npl disposals and prepayments

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- Mariacristina Taormina, Manager charged with preparing the financial reports of Banca Ifis S.p.A., pursuant to the provisions of Art. 154 bis, paragraph 2 of Italian Legislative Decree no.58 dated 24 February 1998, declares that the accounting information included into this document corresponds to the related books and accounting records.
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