



1Q2021 results

13 May 2021

1. 1Q21 results

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2.3 La Scogliera: implications of CRD IV

2.4 Focus on PPA



1Q21 results

Key messages – 1Q21 results

- 1 Net income of €20mln
- 2 Net revenues at €138mln, up vs. 1Q19 and 1Q20. Net revenues excluding PPA at €126mln, up vs. 1Q19, 1Q20 and 4Q20
- 3 NPL cash collection at record high at €81mln, up vs. 1Q19, 4Q20 and 1Q20
- 4 Loan loss provisions at €16mln, including €8mln prudent Covid-19 provisions on performing loans. Net Npe ratio* at 3.4% in March 21, among the best in class of Italian banks
- 5 CET1 at 11.77% (+0.48% since 4Q 20) excluding 1Q21 net income (15.97% without the consolidation within La Scogliera)
- 6 2020 dividends of €25mln** to be paid on 26 May 2021. 2019 dividends of €59mln***, still to be paid, are booked as debt to shareholders

*It includes customer loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.2bn Government bonds at amortized costs in G&S

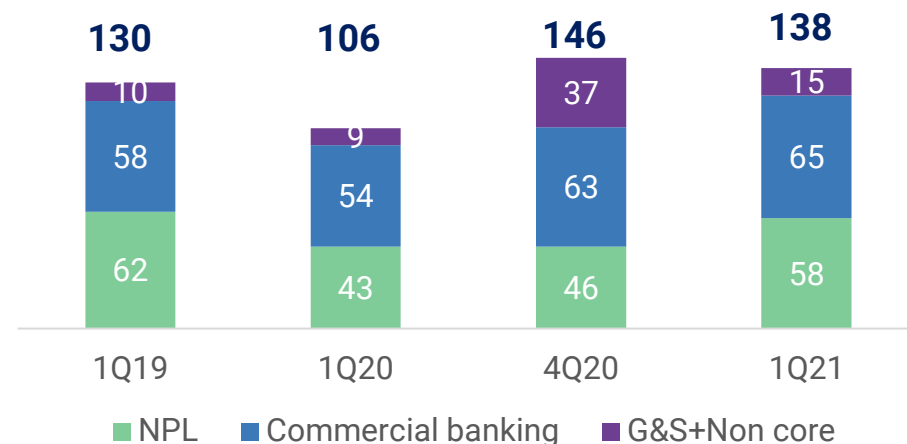
** €0.47 per share . The dividend was defined in compliance with the parameters set by the Bank of Italy's recommendation of 16 December 2020 in which the latter expects that dividends and buy-backs of treasury shares do not exceed the lowest between 15% of the cumulated net profits for 2019- 20 and 20 bps of the Common Equity Tier 1 (CET1) ratio

*** €1.1 per share

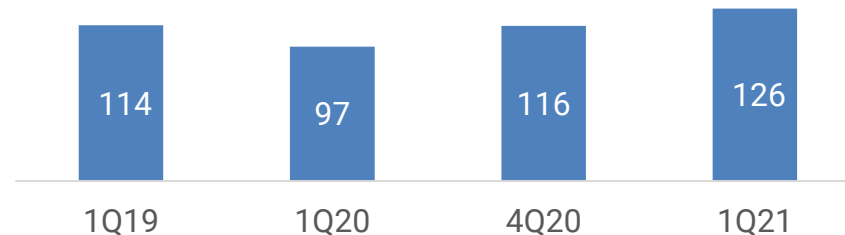
Net revenues up vs. 1Q19 and 1Q20

- **Net revenues of €138mln (up vs. 1Q20 and 1Q19), benefiting from the ongoing recovery in macroeconomic environment**
- **NPL net revenues +35% YoY and +26% QoQ**, driven by the progressive normalization of the courts and management actions aimed at reducing timeframe of collection. Revenues resilient after the bounce back following the reopening of courts in 4Q20
- **Commercial Banking net revenues +21% YoY and +3% QoQ**, driven by cost of funding reduction, increase in medium term lending guaranteed by the State (MCC) and in structured finance

Net revenues (including PPA) breakdown



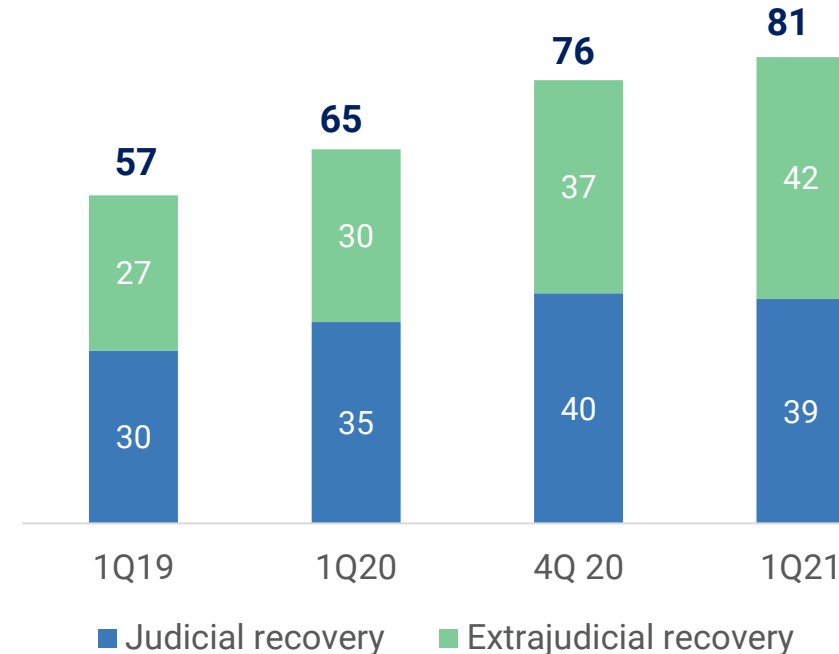
Net revenues excluding PPA

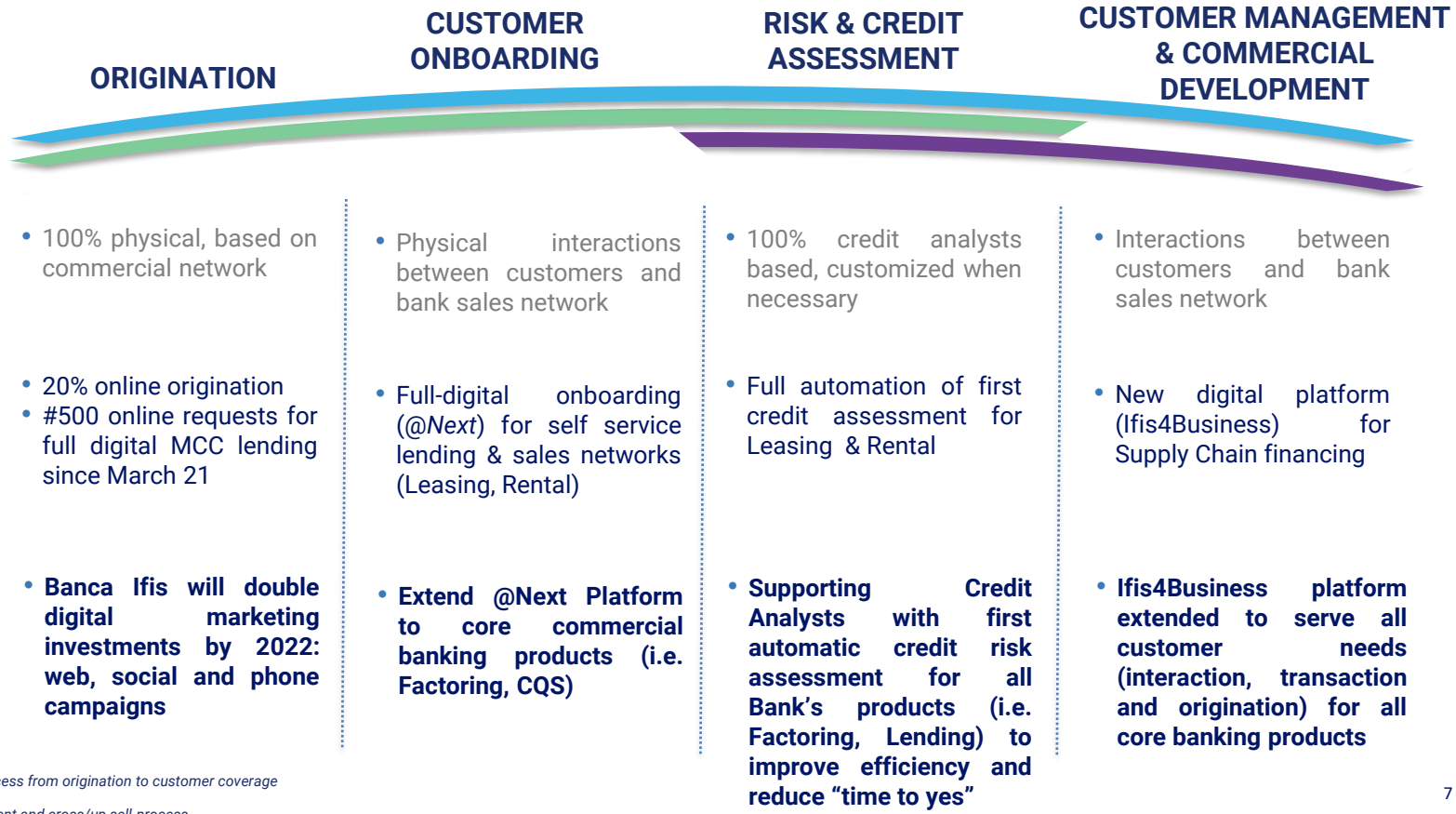





NPL collection up vs. 1Q19 and 1Q20

- **€81mN Npl cash collection at record-high in 1Q21 vs. €65mN in 1Q20 and €57mN in 1Q19**
- **New management action focused on increasing settlements (“saldi e stralci”)** of more uncertain collections, based on the assessment of each single position. The strategy aims to shorten voluntary repayment plans and increase phone/web collections
- **Actual cash collection outperformed internal model estimates** despite Covid-19
- **Banca Ifis portfolio proved to be resilient**
 - In 2020, Banca Ifis posted €23mN additional provisions to reflect potential longer timeframes/slightly lower cash recoveries in the Npl portfolio due to Covid-19
 - ~40% of order of assignments are versus public employees and retirees
 - Portfolio extremely granular with ~1.4mN debtors

Npl cash collection - €mN

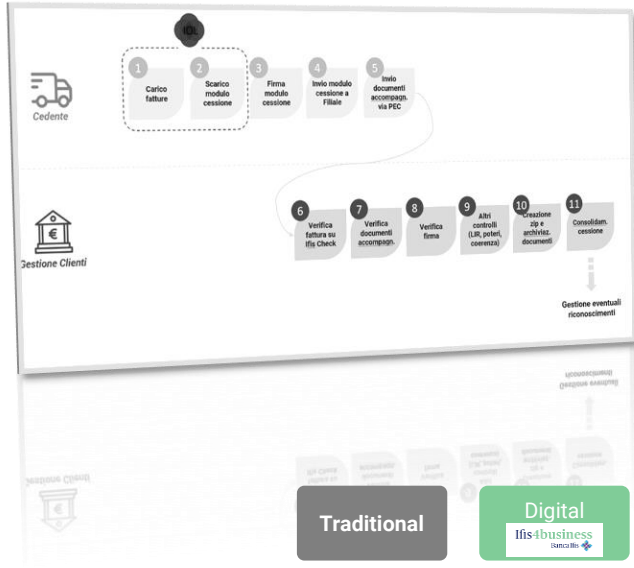




 Full commercial process from origination to customer coverage
 Acquisition process
 Customer management and cross/up sell process

An example: digitalization in factoring

From a fragmented manual process...



Traditional

Steps	11	6
Total time for clients + Banca Ifis	55 min	17 min

...To a mostly digital process by end 2021



Clients: full digital



Banca Ifis: full digital

- ✓ Guided upload, request and control of documents based on customer's operations and characteristics. Tracking invoices and requests
- ✓ Streamlining administrative process and invoice recognition
- ✓ Reduction of time to yes

- ✓ Full-digital document checks and requests. Integrated dashboard to streamline assessment by analysts
- ✓ Streamlining back office, allocating FTEs to front-end activities
- ✓ Economy of scale

Moratoria	Original exposure	Exposure 1Q21	Further reduction: €319mln as at 30 April
Leasing	481	365	Clients voluntary restarted payments on €116mln moratoria (-24%) following the pick up in economic activity Note: leased assets (cars, equipment, technology) with remarketing potential and sector and borrower diversification minimize asset quality risk
Mortgages	126	104	-€84mln mortgages guaranteed by State Note: low asset quality risk on other mortgages (mainly retail)
Commercial lending (run off)	147	43	Clients voluntary restarted payments on €103mln moratoria (- 71%) following the pick up in economic activity Note: exposure vs. large Italian investment grade corporates granted in 2014-16 and expiring in 2023-25 with limited asset quality risk
Other moratoria	45	21	- €10mln in factoring - €6mln in structured finance - €5mln other sectors
Total	799	533	Clients voluntary restarted payments on €266mln moratoria (-33%) following pick up in macro activity

Additional provisions due to Covid19

2020: €31mln

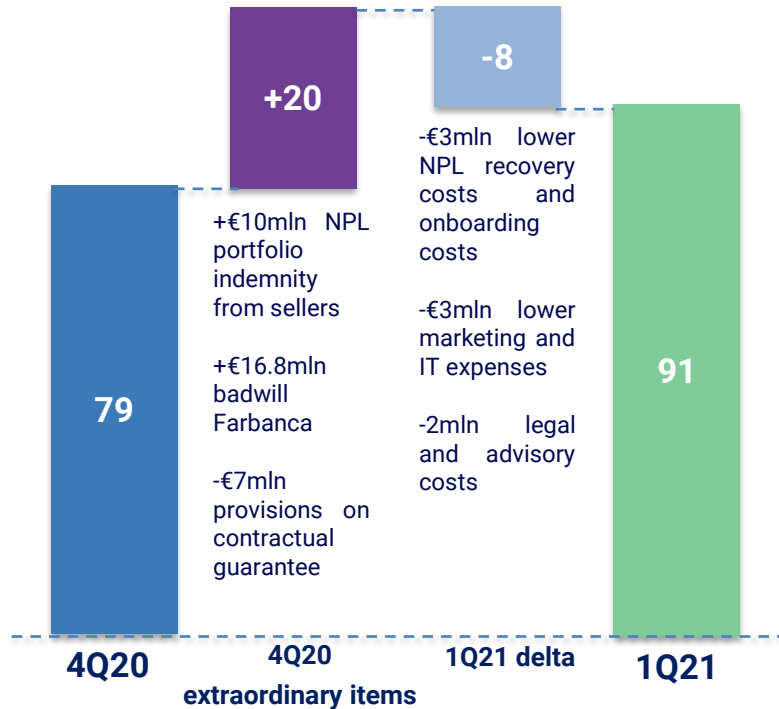
- €31mln of additional provisions for loan losses on sectors most impacted by Covid-19 and moratoria

1Q 21: €8mln

- €8mln provisions for additional protection from concentration risk in structured finance

* Source: management accounting data

Operating costs evolution - €mln



Cost of personnel: €34mln

- 1,765 FTEs (#1,758 in 4Q20): discipline in new hiring
- Includes Farbanca personnel expenses (€1mln) and accrual for variable compensation

Other adm. expenses: €52mln

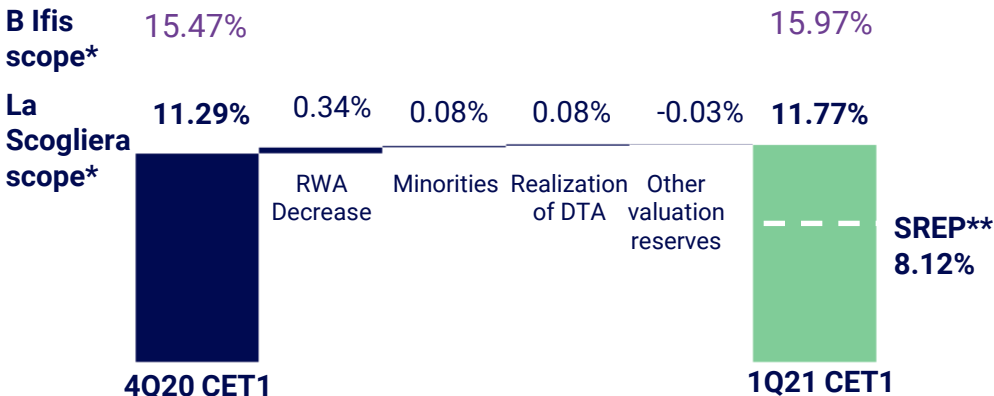
- Includes €21mln variable recovery expenses and €3mln onboarding costs of the NPL business

Other income / expenses: €5mln

- Includes €4mln provisions to the Single Resolution Fund

Scope for cost containment program and “right spending”

Capital ratios evolution



- CET1 of 11.77% (+0.48% QoQ) excluding 1Q21 net income
- 2020 dividends of €25mln to be paid on 26 May 2021. 2019 dividends of €59mln still to be paid are booked as debt to shareholders***

Data in €bn

Banca Ili Group Scope	4Q20	1Q21
RWA	9.2	8.9
CET1	1.4	1.4
Total Capital	1.8	1.8
Total Capital %	19.87%	20.51%

La Scogliera Group scope	4Q20	1Q21
RWA	9.2	8.9
CET1	1.0	1.1
Total Capital	1.4	1.4
Total Capital %	14.85%	15.47%
Excess CET1 not inc. in La Scogliera	0.4	0.4

Key items of capital ratios evolution in 1Q21

- ↑ +34bps due to lower seasonally factoring loans for ~€200mln and ~€80mln for the purchases of external ratings on corporate exposures

*The application of the 2013/36/EU (CRD IV) Directive and EU Regulation 575/2013 (CRR) envisages that only 50.8% of the excess capital of Banca Ili Group Scope is included in the CET1 of La Scogliera Group Scope. Excess Capital of €0.4bn is not included in CET1 of La Scogliera Group Scope.

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

*** Both 2020 and 2019 dividends already excluded from capital ratios

Quarterly results

(€ mln)	1Q20	4Q20	1Q21
Net interest income	91.4	120.9	115.8
Net commission income	21.1	19.4	18.8
Trading and other revenues	(6.6)	5.8	3.1
Net revenues	106.0	146.1	137.7
Loan loss provisions (LLP)	(18.5)	(43.5)	(16.1)
Net revenues – LLP	87.4	102.6	121.6
Personnel expenses	(32.0)	(34.1)	(33.8)
Other administrative expenses	(40.5)	(67.8)	(52.5)
Other net income/expenses	(0.9)	23.3	(5.0)
Operating costs	(73.5)	(78.6)	(91.3)
Goodwill impairment	-	(0.7)	-
Gains (Losses) on disposal of investments	24.2	-	-
Pre tax profit	38.1	23.3	30.4
Taxes	(11.7)	(6.6)	(9.6)
Net income - attributable to the Parent company	26.4	16.5	20.1

Customer loans	7,601	9,135	9,032
- of which Npl Business	1,271	1,406	1,398
Total assets	10,493	12,026	11,841
Total funding	8,468	9,908	9,735
- of which customer deposits	4,894	5,472	5,526
- of which TLTRO	791	1,995	1,992
Shareholders Equity	1,542	1,550	1,572

1 Net revenues benefit from the progressive improvement in judicial and extrajudicial Npl workout and in Commercial & Corporate Banking activity

Net revenues includes +€12mln write back of PPA in 1Q 21 vs. +€30mln in 4Q20

2 Includes €8mln additional provisions for performing loans against the concentration risk in structured finance

3 1Q21 other administrative expenses are ~15mln down QoQ, of which -€8mln QoQ due to lower NPL recovery costs, marketing and IT expenses, and €7mln one off provisions on contractual guarantees included in 4Q20

4 4Q20 includes one offs: €16.8mln of Farbanca bargain purchase, +€12mln of Npl income mainly related to portfolio indemnities from sellers

5 Includes €4mln contributions to the Single Resolution Fund

6 Capital gain due to the disposal of real estate in Milan

1Q21 Results: P&L break-down by business unit

Data in € mln	Npl	Commercial & Corporate banking				Non core & G&S	Consolidated
		Factoring	Leasing	Corp. Banking & Lending	Tot. Commercial & Corporate banking		
Net interest income	58	20	11	12	44	15	116
Net commission income	0	13	3	3	19	(0)	19
Trading & other revenues	1	0	0	2	2	0	3
Net revenues	58	34	14	17	65	15	138
-Of which PPA	0	0	0	0	0	11	12
Loan loss provisions	0	4 ¹	(4)	(6) ²	(6)	(10) ³	(16)
Operating costs	(41)	(22)	(7)	(8)	(37)	(13)	(91) ⁴
Net income	11	11	2	2	15	(6)	21
Net income attributable to non-controlling interests							1
Net income attributable to the Parent company							20
Net income (%)	55%	54%	8%	11%	74%	(29)%	100%
Customer Loans	1,398	2,513	1,406	1,914	5,833	1,801 ⁵	9,032
RWA ¹	2,189	2,155	1,280	1,404	4,839	926	7,954
Allocated capital ²	258	254	151	165	569	109	936

- Including write back of provisions due to internal model update
- Includes €8mln additional provisions for performing loans against the concentration risk in structured finance
- Including €7mln provisions on a single name
- Included €4mln contribution to the Single Resolution Fund
- Breakdown of customer loans in Non Core & G&S
 - G&S: includes €1.2bn of Italian Government bonds at amortized costs
 - Non Core: includes €0.2bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.1bn 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 1Q21.

Appendices

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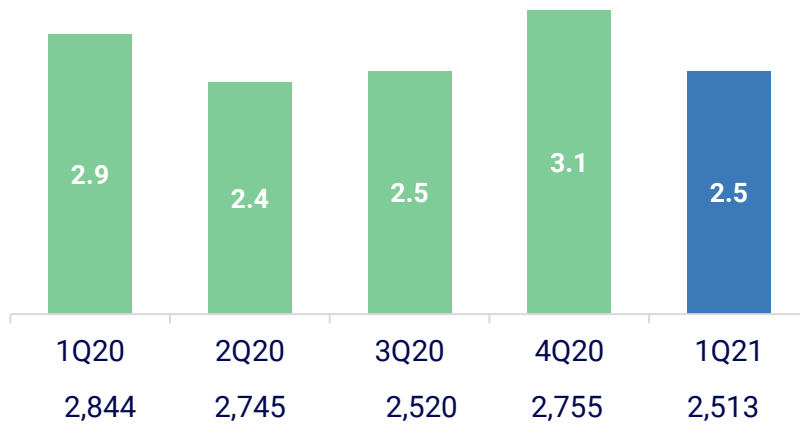
2.1 Segment results

Banca Ifis's Commercial & Corporate banking portfolio includes €0.7bn towards PA; the remaining portfolio is well diversified in terms of sector, geography and size to face the potential impact of the current macroeconomic slowdown

(€ bn)	1Q21	Description
Lending to NHS/PA/guaranteed by state and large corporate		
Factoring and other loans to public administration	0.7	The asset quality risk is limited, while there are uncertainties on the timeframe of payment
Loans 80% guaranteed by State (MCC)	0.5	Loans to SMEs 80% guaranteed by MCC/State
Factoring to chemists	0.1	Short term lending in the face of chemists (Credifarma)
Factoring to large Italian Corporations (Revenue >€500mln)	0.2	The debtors are the large/top Italian corporations (revenue > €500mln) with a sound competitive advantage
Lending to SMEs		
Factoring to SMEs	1.7	Strong sector and borrower diversification. Average duration of ca. 4 months. Average ticket of €300k. The exposures are to debtors (usually medium corporate), with ratings well above the ones of the sellers of the credits
Leasing to SMEs	1.4	Strong sector and borrower diversification. Average duration of ca. 4Y. Leasing exposures (excluding rental) to 38k customers, with an average ticket of €30k. There are remarketing agreements for all the repossessed assets which mitigate asset quality risk
Lending to chemists	0.7	Medium/long term lending to chemists (Credifarma + Farbanca)
Structured finance	0.6	Lending to Private equity consisting of ca. 55 exposures (average ticket of ca. €12mln) towards non-cyclical corporations. Strong track record, with no significant default in the last 10Y
Total customer loans	5.8	Total customer loans of Commercial & Corporate Banking

* Source: management accounting data

Turnover - €bn



Net customer loans - €mln

Quarter	1Q20	2Q20	3Q20	4Q20	1Q21
Net customer loans - €mln	2,844	2,745	2,520	2,755	2,513

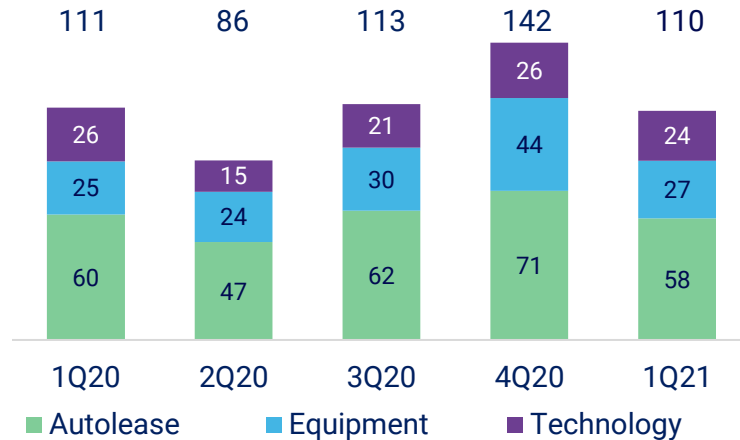
- Factoring net loans -9% QoQ due to seasonality
- Factoring loans of €2.5bn included €0.7bn exposure to the Public Administration

- 1 Net revenues / average customer loans at 5.2%. In 4Q20, net revenues was impacted by +€4mln positive performance in Pharma due to a few positions
- 2 In 1Q21, loan loss provisions includes one-off write back of provisions due to the update of credit modelling. In 4Q20, loan loss provisions included €14mln additional provisions for Covid-19

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

*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



Net customer loans - €mln

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

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

- New leasing stable YoY and down QoQ due to seasonality
- In 1Q21, customer loans at €1,406mln, -0.6% QoQ
- Asset quality risk is mitigated by strong sector and borrower diversification (~ 38k customers, average ticket of ~ €30k*) and by the remarketing agreements for repossessed assets
- Banca Ifis granted €481mln moratoria. As at 30 April*:
 - ~€162mln (ca. 34% of total) terminated moratoria and started paying again, benefiting from the reopening of the economy
 - ~€319mln (ca. 66% of total) moratoria were still in place

* Data for leasing excluding rental

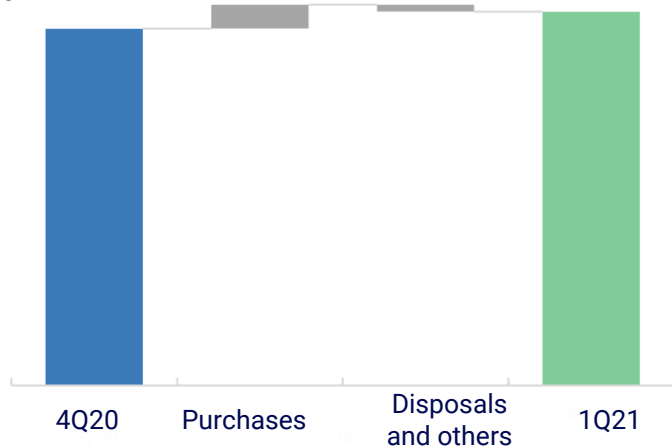
Npl portfolio evolution

NBV**
€mln

4Q20	1,404	1Q21	1,396
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GBV €bn

4Q20	19.8	Purchases	+0.1	Disposals and others	-0.2	1Q21	19.7
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Key numbers*

- 2.0mln tickets, #1.4mln borrowers
- Extensive portfolio diversification by location, type and age of borrower

Npls acquired in 1Q: €0.1bn GBV

- In 1Q21, Banca Ifis purchased €0.1bn due to the low number of transactions in the period and a selective approach
- We are participating /expect to participate in NPL disposal processes with more than €3bn GBV which allows us to be selective

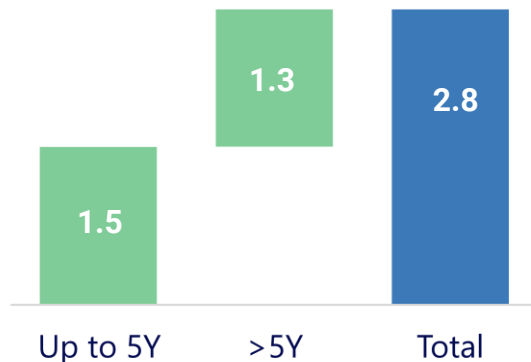
Npls disposed in 1Q

- Npls disposed in 1Q21: €44mln GBV (disposal price €4.7mln, capital gain €0.9mln) of portfolios already worked out and not strategic for Banca Ifis. The remaining €0.1bn consists of settlements (“saldi stralci”) and cash recovery

*Source: management accounting data

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

ERC: €2.8bn



ERC breakdown

Data in €mln	GBV	NBV	ERC
Waiting for workout - At cost	1.1	0.1	0.2
Extrajudicial positions	11.0	0.4	0.6
Judicial positions	7.5	0.9	1.9
Total	19.7	1.4	2.8

ERC assumptions

- ERC based 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 €0.4bn in 1Q21), court injunctions ["precetto"] issued and order of assignments (GBV of €1.4bn in 1Q21) have already been expensed in P&L
- **€1.4bn cash recovery (including proceeds from disposals) in 2014 – 1Q21**

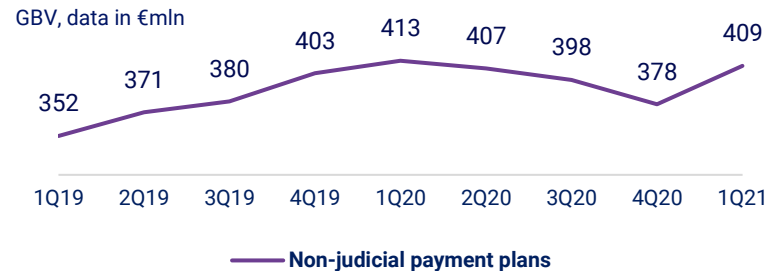
Npl Business*: GBV and cash recovery

Judicial recovery

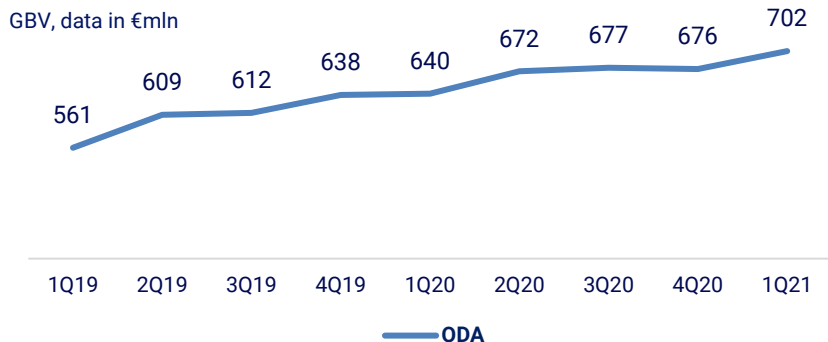
Judicial recovery (€ mln)	GBV	%
Frozen**	3,243	43%
Court injunctions ["precetto"] and foreclosures	686	9%
Order of assignments	702	9%
Secured and Corporate	2,915	39%
Total	7,546	100%

Ongoing processing
Towards ODA or secured and corporate / future cash flows

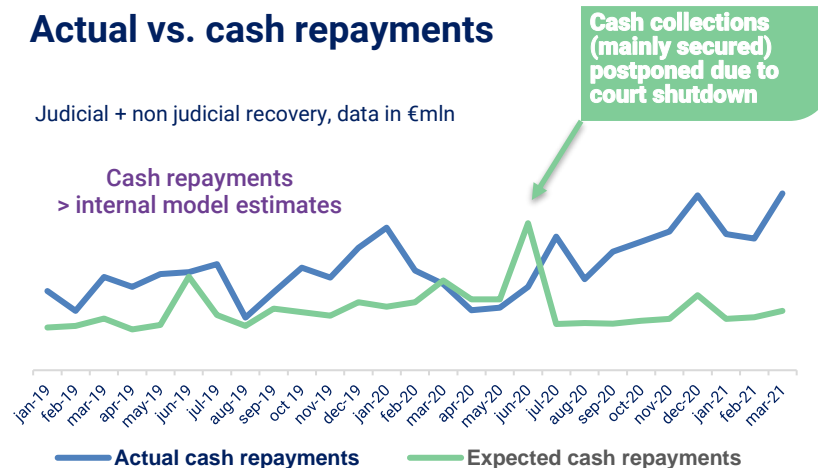
Non judicial recovery – Voluntary plans



Judicial recovery – Order of Assignments



Actual vs. cash repayments



*Source: management accounting data

Npl Business*: cash recovery and P&L contribution

Cash collection

- ① 1Q21 NPL cash collection at record high of €81mln (+€5mln vs. 4Q20 and +€16mln vs. 1Q20)

P&L Contribution

- ② 1Q 21 P&L contribution benefits from settlements (“saldi e stralci”) in non judicial workout. In 4Q 20, P&L contribution included €11mln additional provisions (negative item) to reflect longer timeframes/slightly lower cash recoveries in the Npl portfolio due to Covid-19

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

*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 1Q21 €mln	% total	Description	Average time frame**	Accounting valuation	Cash proceeds
Waiting for workout - Positions at cost	1,147	6%	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	10,987	56%				
-Ongoing attempt at recovery	10,578	54%	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	409	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	7,546	38%				
- Freezed***	3,243	16%	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")	686	3%	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	702	4%	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	2,915	15%	Ongoing execution of real estate collaterals	4 years	Analytical valuation (expected time frame and amount to be recovered)	Yes
Total	19,680	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
Waiting for workout - Positions at cost	2,864	1,598	1,783	1,794	1,440	1,709	1,885	2,140	1,147
Extrajudicial positions	9,745	9,862	9,574	10,378	10,619	10,257	10,579	10,273	10,987
- Ongoing attempt at recovery	9,393	9,491	9,194	9,975	10,206	9,850	10,182	9,896	10,578
- Non-judicial payment plans	352	371	380	403	413	407	398	378	409
Judicial positions	4,015	4,913	5,226	5,669	5,720	6,278	6,428	7,374	7,546
- Freeted**	1,822	1,931	2,192	2,521	2,533	2,627	2,518	3,299	3,243
- Court injunctions ["precetto"] issued and foreclosures	464	487	511	543	571	595	642	713	686
- Order of assignments	561	609	612	639	640	672	677	676	702
- Secured and Corporate	1,167	1,886	1,911	1,965	1,975	2,384	2,590	2,686	2,915
Total	16,624	16,373	16,583	17,841	17,779	18,244	18,893	19,787	19,680

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

*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
Waiting for workout - Positions at cost									
Extrajudicial positions	19	19	19	20	17	10	11	7	22
- Ongoing attempt at recovery	(3)	(2)	(1)	4	(4)	(3)	(5)	(5)	(2)
- Non-judicial payment plans	22	21	20	17	21	13	15	12	24
Judicial positions	46	42	26	58	33	24	37	43	42
- Frozen**	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
- Secured and Corporate	9	14	7	18	6	0	6	0	5
Total	66	60	44	78	50	34	48	50	64

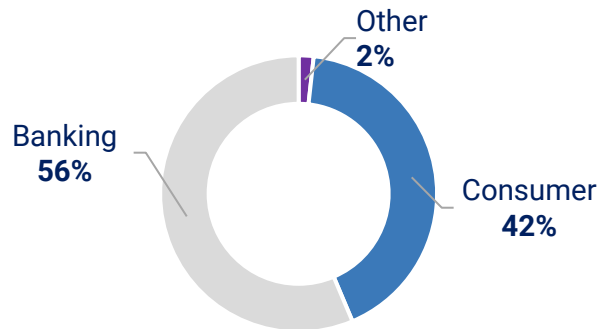
Cash - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Waiting for workout - Positions at cost									
Extrajudicial positions	27	32	27	38	30	23	33	37	42
- Ongoing attempt at recovery	4	6	4	10	4	3	4	6	6
- Non-judicial payment plans	23	26	23	28	26	20	29	31	36
Judicial positions	30	35	32	38	35	29	33	40	39
- Frozen**	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
- Secured and Corporate	6	11	7	11	7	5	7	11	9
Total	57	67	59	76	65	52	66	76	81

*Source: management accounting data

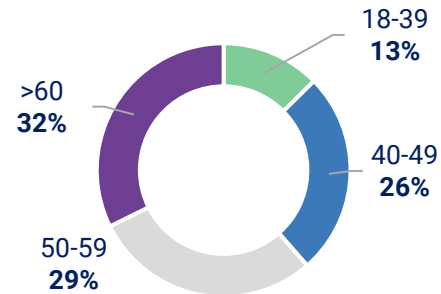
**Other Judicial positions

Npl Business*: portfolio diversification

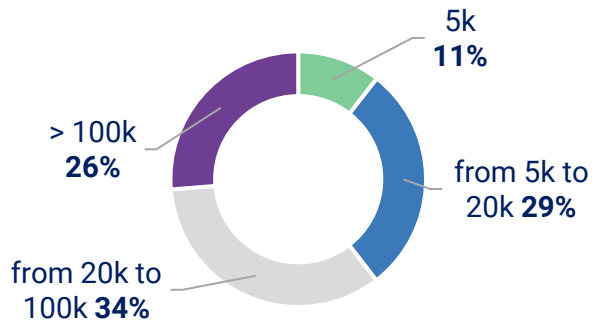
Breakdown of GBV by type



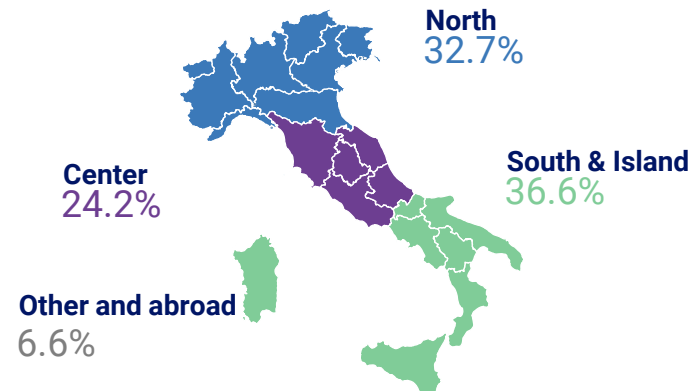
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



Breakdown of GBV by region

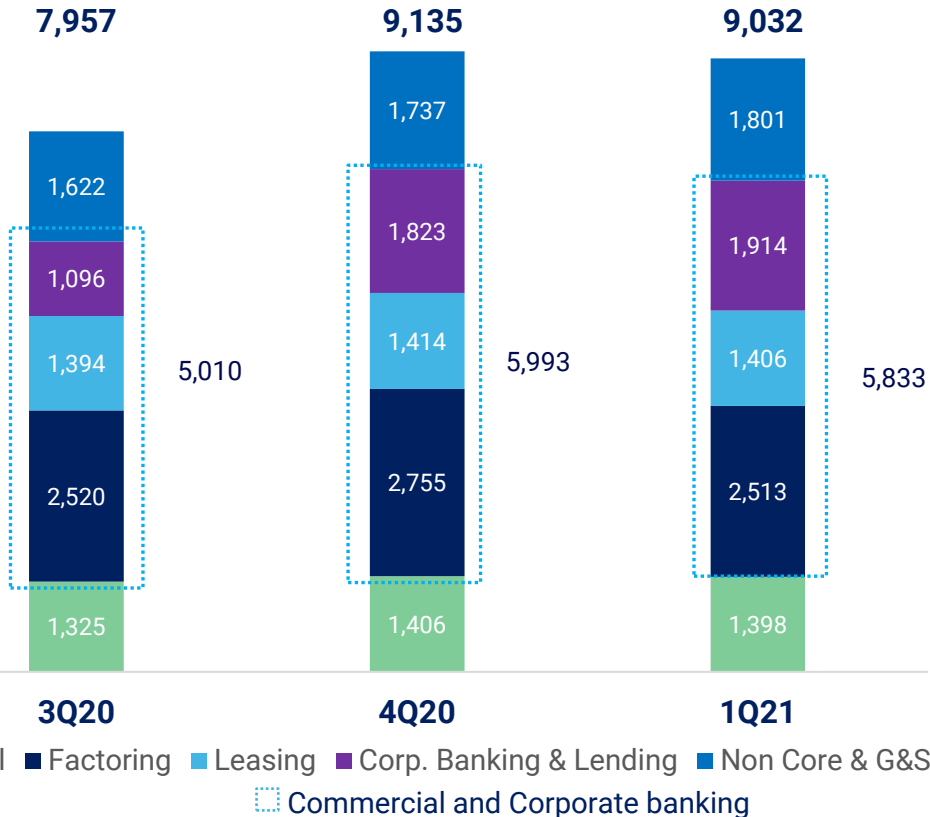


*Source: management accounting data and risk management data (i.e. data refer only to property portfolio)

2.2 Consolidated financial data

Customer loans*

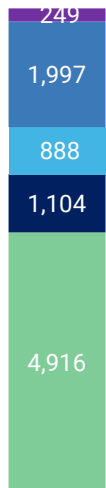
Customer loans (€ mln)



- 1Q21 customer loans at €9,032mln (-€103mln or -1.1% vs 4Q20)
- Factoring decrease (-€242mln QoQ) driven by seasonality

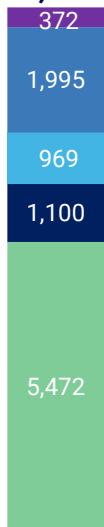
Funding (€mln)

9,153



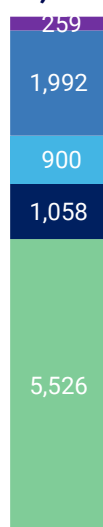
3Q20

9,908



4Q20

9,735



1Q21

Customer deposits Bonds Factoring Securitization TLTRO Other

- Customer deposits +1% QoQ
- The factoring securitization slightly down reflecting seasonality in factoring volumes
- Banca Ifis has €2bn TLTRO (of which €1.9bn expiring in June 2023) out of a maximum capacity of €2.8bn
- Average cost of funding at 1.02% in 1Q21, vs. 1.01% in 4Q20 and 1.45% in 4Q19

	3Q20	4Q20	1Q21
LCR	>1,300%	>900%	>1,400%
NSFR	>100%	>100%	>100%

Strategy

- Long term «fundamental» view 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

1Q21 results

- In 1Q21, the proprietary portfolio reported net revenues of €6.1mln of which ~ €1.85mln in FVOCI bond trading

Banca Ifis 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	1206	122	16		110	1453
Held to collect and sell (FVOCI)	637	15	17	79		748
Total (HTC and HTC&S)	1842	138	33	79	110	2202
Held for trading						11
Total portfolio at market value	1842	138	33	79	110	2213
Percentage of total	83,2%	6,2%	1,5%	3,6%	5,0%	100,0%
Held to collect/amortized cost Duration	3,1	3,2	2,9	NA	0,2	3,1
Held to collect and sell (FVOCI) Duration	1,5	3,6	4	NA	-	1,6
Average duration (HTC and HTC&S) - YEARS	2,6	3,3	3,5	NA	0,2	2,6

Asset quality (€ mln)

Consolidated ratios	3Q20	4Q20	1Q21
Gross Npe**	10.0%	6.4%	6.9%
Net Npe**	5.0%	3.2%	3.4%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	166	74%	43
UTPs	170	48%	88
Past dues	40	11%	35
Total Npes	376	56%	166

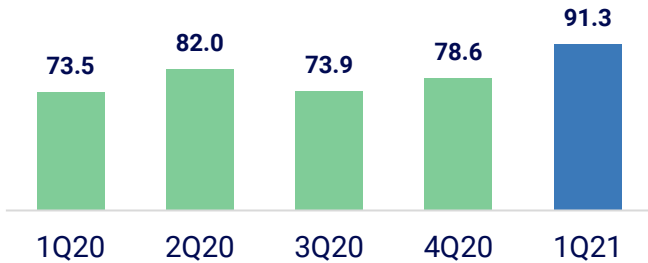
Non Core & G&S	Gross	Coverage %	Net
Bad loans	29	49%	15
UTPs	59	37%	37
Past dues	7	36%	5
Total Npes	95	41%	56

- Npl Business not included in this analysis
- Npe ratios (excluding Npl Segment and Italian Government Bonds at amortized costs included in customer loans) reported:
 - Gross Npe Ratio*: 6.9% (6.4% in 4Q20)
 - Net Npe Ratio*: 3.4% (3.2% in 4Q20)
- The QoQ increase in Gross and net ratios is driven by the decrease in customer loans and the increase in net past due (+7mln QoQ)
- Gross Npes in Commercial and Corporate Banking include ~€16mln factoring technical past due mainly loans to the PA which does 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 POCI (“purchased or originated credit-impaired”) and are booked net of provisions

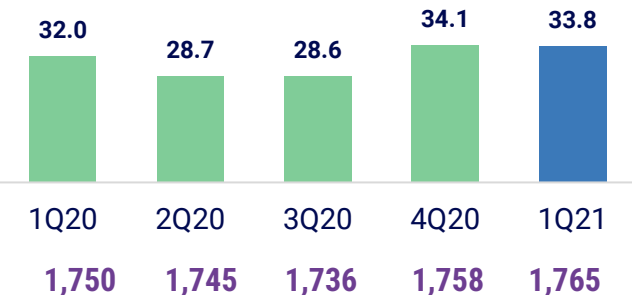
*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.2bn Government bonds at amortized costs in G&S.

Consolidated operating costs

Operating costs (€mln)



Personnel expenses (€mln)

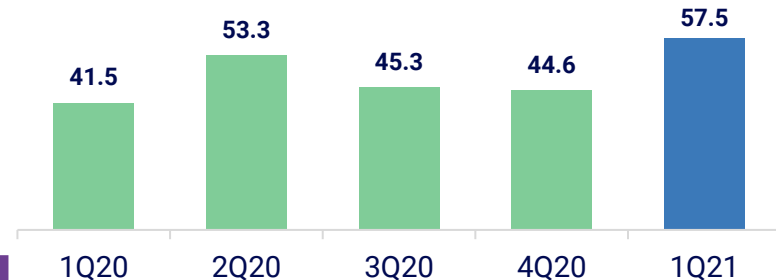


Banca Ifis
employees

1Q21 operating costs ~+€12.6mln vs. 4Q20:

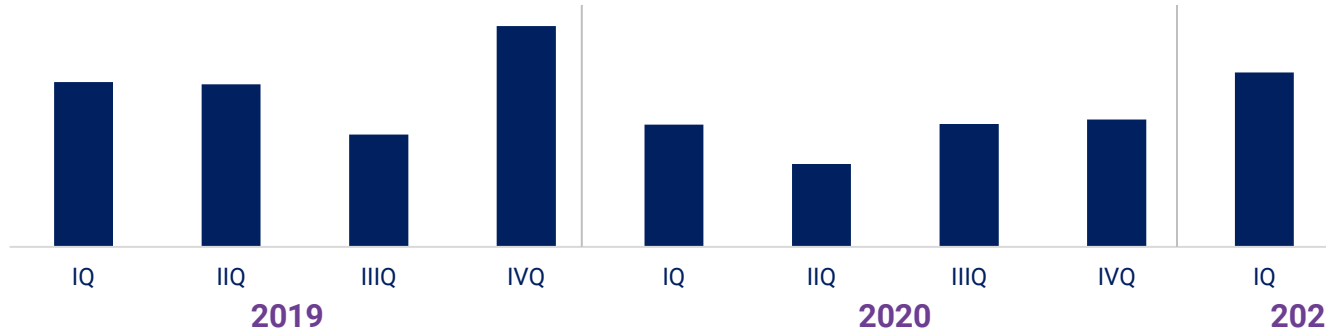
- ~- €0.3mln QoQ in personnel expenses
- ~+€13mln QoQ in other adm. expenses and other income/expenses:
 - Adm. expenses down -€15mln QoQ: -€8mln QoQ due to lower NPL recovery costs, marketing and IT expenses; 4Q20 included €7mln one off provisions for contractual guarantees
 - Other income/expenses down -€28mln QoQ: 1Q included €4mln contribution to the Single Resolution Fund. 4Q20 included one offs: +€17mln bargain of Farbanca and +€12mln of income (mainly NPL portfolio Indemnities)

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



Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls



2020 was impacted by court shutdown

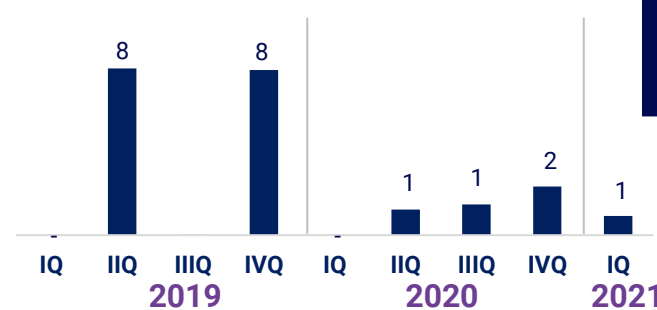
Reversal of PPA ex-IB (pre-tax)



1Q21 pre tax reversal PPA at €12mln

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

Capital gains from Npl disposal



1Q21 gains at €1mln

2.3 La Scogliera: implications of CRD IV

La Scogliera: implications of CRD IV

- The application of the 2013/36/EU (CRD IV) Directive and EU Regulation 575/2013 (CRR) envisages that 49.2% of the excess capital of the Banca Ifis Group Scope is not included in the CET1 of La Scogliera Group Scope. CET1 excess capital of €0.4bn is not included in La Scogliera Group Scope

La Scogliera S.p.A.
Consolidating Group entity

50.8%**
Banca Ifis S.p.A.

Data in €billion

Data as at 31 Mar 2021	Banca Ifis Group Scope	Capital requirements*	Excess Capital	Minority stake of La Scogliera	Excess capital not included	La Scogliera Group Scope
CET1	1.4		0.8	49.2%	0.4	1.1
Total Capital	1.8		0.9	49.2%	0.4	1.4
CET1 %	16.0%	7.0%		49.2%		11.8%
Total Capital %	20.5%	10.5%		49.2%		15.5%
RWA	8.9					8.9

*Capital requirements at parent company level. At group level capital requirements are: CET1 8.12%, Total Capital 12.5%

**Net of Treasury shares

La Scogliera: 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

219.4

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

48.8

Other non-convertible DTAs

- DTAs generated due to negative valuation reserves and provisions for risks and charges (~€ 38.2*mln as of 31 Mar 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 (~€ 30.7mln as of 31 Mar 2021)

7.5

*Includes prudentially €5.7mln of DTAs related to Ifis Rental and Ifis Real Estate not included in the Banking Group as not a regulated entity

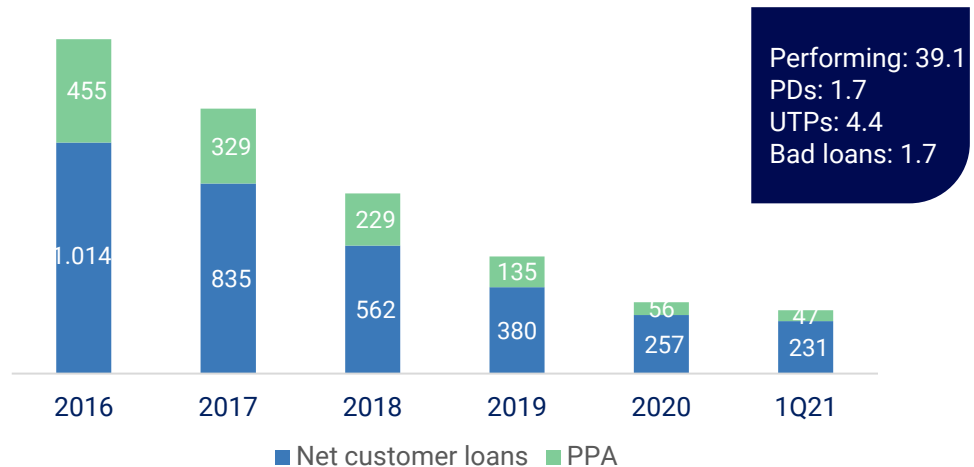
** As stated by CRR (article 48), these kind of DTAs are subjected to a double threshold mechanism: if their amount is less than 10% of the CET1 Capital, they are weighted at 250%; if their amount added to the total³⁶ investments in financial sector subjects is less than 17.65% they are weighted. If 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

- 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 Mar 21, the residual amount of pre-tax PPA was €47m

Net customer loans and PPA - €m



PPA reversal in P&L- €m

1Q20	2Q20	3Q20	4Q20	1Q21
9	11	8	30*	12
FY 20: €57m. o/w: -€2m In Corp. Banking & Lending -€56m Non Core & G&S				1Q 21: €12m. o/w: -€0.4m In Corp. Banking & Lending -€11.5m Non Core & G&S

Outstanding 1Q 21
47
1Q 21 Outstanding, o/w: -€3m In Corp. Banking & Lending -€44m 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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